



ACT
Government



Annual Report

2017-18



ACT GAMBLING AND RACING COMMISSION

ANNUAL REPORT 2017-2018

The ACT Gambling and Racing Commission's 2017-18 Annual Report has been prepared in accordance with the ACT Chief Minister's *Annual Reports (Government Agencies) Notice 2017* issued on 30 May 2017.

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SECTION A: TRANSMITTAL CERTIFICATE



Minister for Business and Regulatory Services
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601

Dear Minister

We have the pleasure in submitting to you the ACT Gambling and Racing Commission's Annual Report for the financial year ended 30 June 2018.

This report has been prepared in accordance with section 7(2) of the *Annual Reports (Government Agencies) Act 2004* and in accordance with the requirements under the Annual Report Directions.

It has been prepared in conformity with other legislation applicable to the preparation of the Annual Report by the ACT Gambling and Racing Commission.

We hereby certify that information in the attached annual report, and information provided for whole of government reporting, is an honest and accurate account and that all material information on the operations of ACT Gambling and Racing Commission has been included for the period 1 July 2017 to 30 June 2018.

We hereby certify that fraud prevention has been managed in accordance with the *Public Sector Management Standards 2006, Part 2*.

Section 13 of the *Annual Reports (Government Agencies) Act 2004* requires that you present the Report to the Legislative Assembly within 15 weeks after the end of the reporting year.

Yours sincerely

Handwritten signature of Paul Baxter in black ink.

Paul Baxter
Chairperson
18 September 2018

Handwritten signature of David Snowden in black ink.

David Snowden
Chief Executive Officer
18 September 2018



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COMPLIANCE STATEMENT

The ACT Gambling and Racing Commission's 2017-18 Annual Report must comply with the 2017 Annual Report Directions (the Directions). The Directions are found on the ACT Legislation Register: <http://www.legislation.act.gov.au/ni/2017-280/notification.asp>

The Compliance Statement indicates the subsections, under the five Parts of the Directions, that are applicable to the ACT Gambling and Racing Commission and the location of information that satisfies these requirements:

Part 1 Directions Overview

The requirements under Part 1 of the Directions relate to the purpose, timing and distribution, and record keeping of annual reports. The ACT Gambling and Racing Commission's 2017-18 Annual Report complies with all subsections of Part 1 under the Directions.

In compliance with section 13 Feedback, Part 1 of the Directions, contact details for the ACT Gambling and Racing Commission are provided within the ACT Gambling and Racing Commission's 2017-18 Annual Report to provide readers with the opportunity to provide feedback.

Part 2 Directorate and Public Sector Body Annual Report Requirements

The requirements within Part 2 of the Directions are mandatory for all directorates and public sector bodies and the ACT Gambling and Racing Commission complies with all subsections. The information that satisfies the requirement of Part 2 is found in the ACT Gambling and Racing Commission's 2017-18 Annual Report as follows:

- > A. Transmittal Certificate – see page 7
- > B. Organisational Overview and Performance, inclusive of all subsections – see pages 10 - 58
- > C. Financial Management Reporting, inclusive of all subsections – see pages 59 - 112

Part 3 Reporting by Exception

The ACT Gambling and Racing Commission has nil information to report by exception under Part 3 of the Directions for the 2017-18 reporting period.

Part 4 Directorate and Public Sector Body Specific Annual Report Requirements

The following subsections of Part 4 of the 2017 Directions are applicable to the ACT Gambling and Racing Commission and can be found within the ACT Gambling and Racing Commission's 2017-18 Annual Report as follows:

- > H. Gambling and Racing – see pages 113-118

Part 5 Whole of Government Annual Reporting

All subsections of Part 5 of the Directions apply to the ACT Gambling and Racing Commission. Consistent with the Directions, the information satisfying these requirements is reported in the one place for all ACT Public Service Directorates, as follows:

- > N. Community Engagement and Support, see the 2017-18 annual report of Chief Minister, Treasury and Economic Development Directorate;

- > O. Justice and Community Safety, including all subsections O.1 – O.4, see the 2017-18 annual report of the Justice and Community Safety Directorate;
- > P. Public Sector Standards and Workforce Profile, including all subsections P.1 – P.3, see the annual State of the Service Report; and
- > Q. Territory Records, see the annual report of Chief Minister, Treasury and Economic, Development Directorate.

ACT Public Service Directorate annual reports are found at the following web address:

http://www.cmd.act.gov.au/open_government/report/annual_reports

SECTION B: ORGANISATION OVERVIEW AND PERFORMANCE

B.1 Organisational Overview

The ACT Gambling and Racing Commission (the Commission) is an independent statutory authority responsible for ensuring the lawful conduct of gambling and racing in the ACT. The Commission is established under the *Gambling and Racing Control Act 1999* which describes the functions of the Commission, including the administration of the Territory's gaming and racing laws and the control, supervision and regulation of gaming and racing in the ACT.

Functions and Powers of the Commission



The Commission's functions and powers are specified in sections 6 through 8 of the *Gambling and Racing Control Act 1999* (the Control Act). A copy of the Control Act is available on the ACT Legislation Register which may be accessed via <http://www.legislation.act.gov.au>.

In short the Commission's functions include:

- > regulating the activities of the casino, gaming machines, lotteries, racing, betting and interactive gambling;
- > approving gaming and racing activities;
- > monitoring and researching the social effects of gambling and of gambling harm;
- > reviewing legislation and policies relating to gaming and racing and making recommendations to the Minister on those matters;
- > providing education and counselling services;
- > investigating and conducting inquiries into issues and activities of persons in relation to gaming and racing related matters;
- > monitoring, researching and funding activities relating to gaming and racing;
- > engaging in community consultation, as appropriate; and
- > collecting taxes, fees and charges imposed or authorised by or under gaming laws.

The Commission performs its functions in a way that best promotes the public interest, and in particular, as far as practicable:

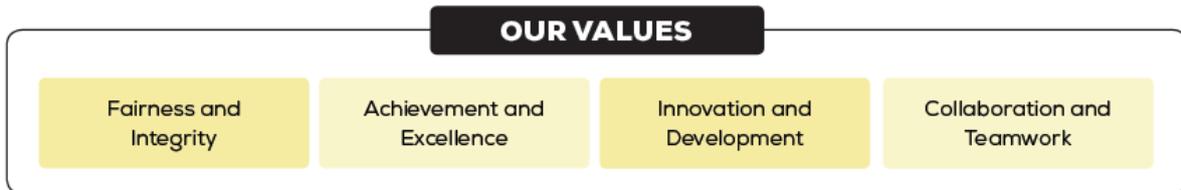
- > promotes consumer protection;

- > minimises the possibility of the criminal or unethical activity; and
- > reduces the risks and costs, to the community and individuals concerned, of gambling harm.

Vision and Values of the Commission

The vision of the Commission is to create an environment in which key stakeholders have the highest degree of confidence in the integrity of the Territory’s approved gaming and wagering industries, and to minimise and prevent gambling harm.

The Commission’s values are:



Objective of the Commission



The Commission’s Business Plan 2018-2020 outlines the objectives to achieve its vision:



SHARING ACCESS CANBERRA RESOURCES

The Gambling and Racing Commission has an MOU with the Chief Minister, Treasury and Economic Development Directorate. This details the services and functions undertaken by Access Canberra on behalf of the Commission in relation to the administration of gaming laws.

HARM PREVENTION

We will implement harm prevention strategies:

- A public health approach to the prevention and minimisation of gambling harm in the Territory. Gambling affects the community, not just the individual gambler
- Initiate and complete projects through the Problem Gambling Assistance Fund
 - Applying the latest research and best practice methods for gambling harm prevention
- Support counselling and relapse prevention services



- Target interventions to minimise and prevent harm
- Provide information to help and support people at risk of harm from gambling, including:
 - self-exclusion options
 - gambling harm awareness activities



ENGAGE, EDUCATE AND ENFORCE STRATEGY

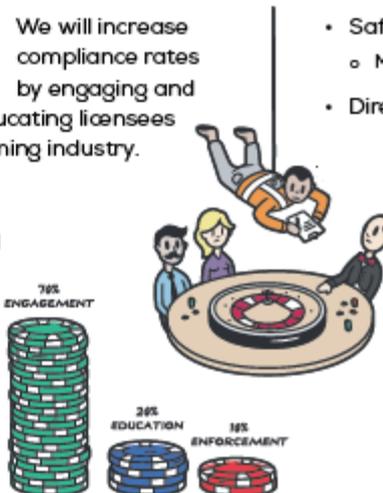
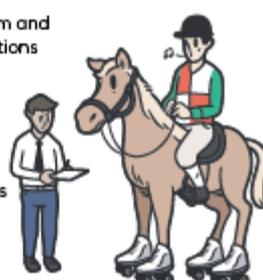


We will increase compliance rates by engaging and educating licensees and the gaming industry.

We will:

- Use a 70/20/10 model
 - 70% engagement
 - 20% education
 - 10% enforcement
- Ensure the industry understands and abides by regulatory obligations

- Safeguard the integrity of the industry
 - Minimise criminal/unethical activity
- Direct resources to where they are needed most
 - Using a risk-based approach conduct a comprehensive compliance inspection program
 - Scheduled, random and responsive inspections
 - Take action when required
 - More inspections
 - Disciplinary actions
 - Issue directions
 - Prosecutions

INNOVATE, COLLABORATE AND CONSULT

We will collaborate and consult with stakeholders with a commitment to promoting continuous improvement particularly on areas relevant for the ACT Community:

- Community contribution scheme
- Social impact assessment requirements and their availability to the public
- Support the Government by providing independent advice on harm minimisation, consumer protection and gambling and racing regulation



Key Stakeholders of the Commission

The Commission’s Business Plan identifies the key stakeholders and clients of the Commission as the:



Organisational Structure

In December 2014, the ACT Chief Minister announced the establishment of Access Canberra in the Chief Minister, Treasury and Economic Development Directorate. Access Canberra is a ‘one-stop-shop’ for many regulatory services performed by the ACT Government, is client focussed and ensures businesses have an effective and efficient method of dealing with Government services and regulators.

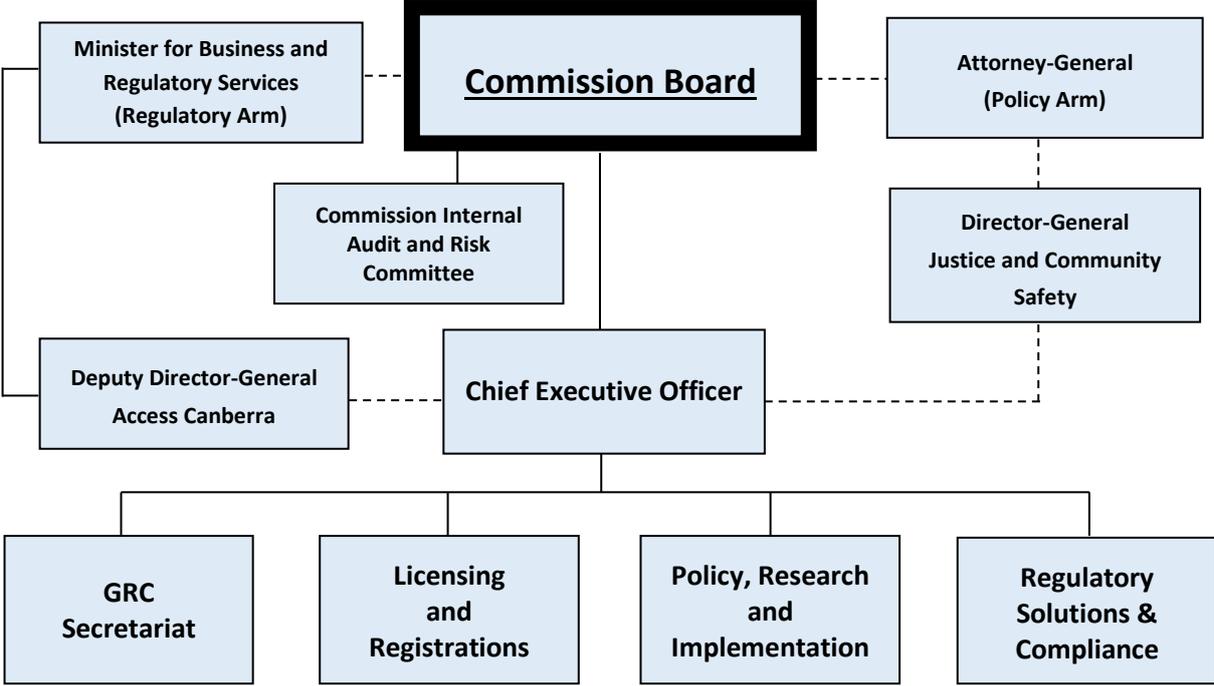
In August 2015, an agreement between Access Canberra and the Commission on “the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT” (the Agreement) was executed.

After the agreement expired a Memorandum of Understanding was entered into and is current until 30 June 2020.

The Memorandum of Understanding states that the ACT Gambling and Racing Commission will commission work from Access Canberra for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT. The agreement provides for the Commission to perform its functions and obligations as specified in section 6 of the *Gambling and Racing Control Act 1999* and as outlined in the Commission’s Statement of Intent.

Organisational Chart

The Commission’s operational structure as at 30 June 2018 is identified in the following organisation chart:



- > The Deputy Director-General Access Canberra, is accountable to the ACT Public Service Head of Service, and the Minister for Business and Regulatory Services. The Deputy Director-General is responsible for the administration and business of Access Canberra including any work that Access Canberra undertakes on behalf of the Commission.
- > The Director-General Justice and Community Safety, is accountable to the Attorney-General. The Director-General is responsible for broad gaming and racing policy on a whole-of-government basis.
- > The Chief Executive of the Commission is also the Chief Operating Officer of Access Canberra and is a member of the governing board.

Business, Corporate and Operational Plans

The Commission’s Business Plan 2018-20 guides planning and decision making. Additionally, the Commission produces an annual Statement of Intent which includes business and corporate strategies together with targets and performance measures. These targets and measures are incorporated into the Commission’s Statement of Performance at Section C.6 of this report.

Access Canberra on behalf of the Commission has also produced detailed procedure manuals to document internal procedures and process controls. These documents ensure consistency of operational activity and assist with the training of new staff members. The Commission's planning processes, including strategic and business planning, incorporate risk management.

The Commission also has in place a Risk Register and Fraud and Corruption Prevention Plan which are actively monitored with reports to the Internal Audit and Risk Committee and the governing board.

The Commission's work is incorporated in the Access Canberra Business Continuity Plan which describes arrangements that will be used to provide continuity of key services in the event of a major disruptive incident.

Achievements

During 2017-18, the Commission continued to develop its public health approach to minimise and prevent gambling harm in the ACT, with the 2017-18 Harm Prevention Plan guiding the development of a high-level program and evaluation framework for the strategies and outcomes anticipated to contribute to the objective of reducing and preventing gambling harm. A copy of the 2017-18 Harm Prevention Plan can be found on the Commission's website here:

https://www.gamblingandracing.act.gov.au/_data/assets/pdf_file/0006/1123197/Harm-Prevention-Plan-2017-20181.pdf

The work undertaken in 2017-18 provided industry, in particular, with additional tools to support them in providing safer environments and supporting their staff with harm minimisation tools. This included the development of the Gambler in-Venue Support program. Further information about this program and additional achievements are referred to below.

Gambling Harm Awareness Week

Gambling Harm Awareness Week (GHAW) was held from 30 October to 5 November 2017. During GHAW the Commission hosted a breakfast for leaders in the ACT Community Sector. Speakers included Dr Matt Browne, a leading Australian Gambling Harm researcher, Kate Seselja, a prominent lived experience speaker and Louise Glanville, Chief Executive Officer of the Victorian Responsible Gambling Foundation. The Commission also hosted a launch by the Minister for Business and Regulatory Services, Gordon Ramsay MLA, of the Commission's gambling harm prevention in-venue support kit.

Gambler in-Venue Support Program

The Gambler in-Venue Support (GiVS) Program, initiated by the Commission in October 2017, is a multi-faceted program aimed at increasing the consistency and effectiveness of assistance provided to Canberrans who gamble at venues in the ACT. In 2017-18, the program included:

- > development and launch of the *We Don't Play It Down* in-venue gambling harm support kit during GHAW 2017;
- > development of training for board members of ACT licensed Clubs about the implementation of a public health approach to gambling harm prevention and the legal responsibilities of a gambling licensee;
- > development and delivery of an annual training package for Gambling Contact Officers (GCOs). The training focusses on improving gambling harm awareness, improving use of the online gambling incident register and increasing the skills and confidence of GCOs to provide assistance to their patrons. The main benefits of this training is to ensure that employees in venues are able to identify signs of gambling harm and are equipped with the right skills to assist patrons exhibiting or experiencing gambling harm. The first of these sessions was conducted on 20 June 2018 and was received well; and
- > provision of support by Access Canberra to GCO's to make better use of the online gambling incident register through increased monitoring, reporting and responses to GCO's on their use of the register.

In 2018-19, the GiVS program will see the Responsible Conduct of Gambling and GCO initial training courses reviewed; and the delivery of board member training sessions.

Gambling and Racing Commission Advisory Committee

To support the adoption of a public health approach, the Commission reviewed its suite of consultative committees in early 2017, and in September established a single committee – the Gambling and Racing Commission Advisory Committee (GRCAC) – to replace the Problem Gambling Assistance Fund Advisory Committee, the Gambling Advisory Reference Group and the Gambling Industry Consultative Committee.

The GRCAC considers current and emerging issues related to the prevention and minimisation of gambling harm; public health approaches to gambling harm; and areas of research interest, bringing together individuals with expertise in these areas. Members provide views and opinions to support the Commission's legislative functions, with particular emphasis on the prevention and minimisation of gambling harm in the ACT.

A sub-committee of the GRCAC (with additional members invited) has been formed for 2018-19 to support the Commission in its planning for GHAW 2018.

Research

The Commission initiated a number of research projects into gambling behaviour and its social effects. These research projects have provided information on gambling and gambling harm to the Commission and have informed the development of strategies and policies to reduce the risk of gambling harm to the ACT community.

The *Informing Targeted Interventions for People Experiencing Gambling Harms in the ACT* project (https://www.gamblingandracing.act.gov.au/_data/assets/pdf_file/0009/1222695/Informing-Targeted-Interventions-for-People-Experiencing-Gambling-Harms-in-the-ACT-ANU-Research-Report.pdf) was undertaken by the Australian National University's Centre for Gambling Research on behalf of the Commission, with the final report published in May 2018. This research has informed the development of strategies to effectively target communication to improve knowledge both within the gaming industry, and the community more broadly, of what gambling harm is, and who it affects. The research has also highlighted areas where support is needed to shift attitudes for those speaking about gambling harm, for example: shifting away from depicting 'problem gamblers' as an extreme group. The Commission has already commenced work to support gambling venues through the GiVS program, and gambling harm training for Gambling Contact Officers and club board members.

The Commission is also working with the Youth Coalition of the ACT through funding of the *At Odds: Young People and Gambling* project. The project aims to develop communication strategies and materials, based on their previous research, to more effectively target and engage young people in order to provide a greater awareness of the signs of gambling harm. The *At Odds* website can be found at <https://atodds.com.au/>.

Further information is available in section B.2 Performance Analysis.

Policy and Legislation

The Commission is responsible for implementing policy and legislative changes relating to gaming laws and its functions under the *Gambling and Racing Control Act 1999*. In 2017-18, the Commission implemented a number of legislative reforms including the *Gaming Machine (Cash Facilities) Amendment Bill 2017* limiting cash withdrawals in venues to \$200 per transaction from a single EFTPOS facility, and the *Gaming Machine Amendment Bill 2017* providing for gaming machine tax rebate for small to medium clubs.

The Commission also participated in the Australian Government's Illegal Offshore Wagering Taskforce, working with the Commonwealth, States and the Northern Territory to develop a national consumer protection framework for online wagering. It is anticipated the framework will be released in the 2018-19 financial year.

Compliance Activities

During 2017-18, Access Canberra continued to carry out compliance and investigation activities relating to the conduct and provision of gaming and racing services in the ACT and to ensure compliance with the ACT gaming laws on behalf of the Commission.

A total of 464 gaming and racing related inspections were conducted and where possible the regulatory burden on licensees was reduced by undertaking several coordinated joint inspection programs covering various pieces of legislation. Reducing regulatory burden ensures greater efficiencies in both time and costs which benefit licence holders.

Resources for compliance activities are allocated based upon their risk profile, which includes the analysis of any received intelligence. Additionally, compliance programs are rounded out by the inclusion of a small random sample of venues, regardless of the level of risk.

In 2017-18, 12 targeted compliance inspection programs were completed focussing on a range of regularly obligations such as gaming machine community contributions, casino operations, totalisator operations, racing events and code of practice reviews.

Canberra Raiders Sports Club Ltd

On 21 June 2018, the Commission determined that the Canberra Raiders Sports Club Ltd (the Club) contravened the *Gambling Machine Act 2004* by failing to record problem gambling incidents at its Raiders Belconnen Club, as required under Part 1.6A of the *Gambling and Racing Control (Code of Practice) Regulation 2002*, following a complaint in the reporting period 2016-17. This determination was made following a consent decision between the Commission and the Club in appeal proceedings in the ACT Civil and Administrative Tribunal, brought by the Club against the Commission's earlier determination of 24 November 2017. The disciplinary action agreed in the consent decision was a reprimand; the Club making a payment of \$60,000 to an appropriate charity to support harm minimisation; and the Club to provide an external compliance report in relation to changes to its procedures and training for recording gambling incidents.

Aboriginal and Torres Strait Islander Reporting

The Commission's work is governed by its enabling legislation. To the extent that it is relevant the Commission's work affects all residents of the Territory. During 2017-18, the Commission did not have any information or data suggesting that the ACT Aboriginal and Torres Strait Islander community would benefit from specific targeted programs or initiatives in relation to gaming and racing.

Outlook

The Commission's strategic and operational issues to be pursued in 2018-19 are outlined in the 2018-19 *ACT Gambling and Racing Commission Statement of Intent* which is located on the ACT Budget 2018-19 website here:

https://apps.treasury.act.gov.au/data/assets/pdf_file/0015/1206600/B-Chief-Minister-Treasury-and-Economic-Development-Directorate.pdf.

These strategic and operational issues include:

- > continue to provide and improve support and treatment for people experiencing high levels of gambling harm and implement harm prevention strategies that will prevent and reduce gambling harm for all Canberrans;
- > continue to engage, provide advice and education to the community, individuals, licensees and gambling and racing industry stakeholders through the course of its proactive and reactive compliance programs with a view to ensure that the Commission's stakeholders understand their rights, obligations and responsibilities under the ACT's gaming laws;
- > continue to apply a risk based compliance approach to ensure resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening the Commission's capacity to take action where the community is most at risk;
- > continue working on the Commission's evidence-base about how to prevent gambling harm across the Canberra community, ensuring existing measures are evaluated and consider innovative solutions consistent with a public health approach;
- > seek to build on the Government's changes to gaming legislation to develop, implement and evaluate stronger interventions to reduce harm caused by gambling;
- > continue to support the Government by providing independent advice on harm minimisation, consumer protection and gambling and racing regulation.

Internal Accountability

Membership of the Commission

Section 12 of the *Gambling and Racing Control Act 1999* provides that the Commission shall consist of five members. Section 79 of the *Financial Management Act 1996* (FMA) provides for the appointment of a chairperson and a deputy chairperson and section 80(4) of the FMA states that the Chief Executive Officer of an authority is a member of the governing board (the Board).

Under section 56 of the FMA the Board is responsible, under the responsible Minister, for the efficient and effective financial management of the authority. Section 77 of the FMA provides that a governing board has the following functions:

- > setting the authority's policies and strategies;
- > governing the authority consistently with the authority's establishing Act and other relevant legislation;
- > ensuring, as far as practicable, that the authority operates in a proper, effective and efficient way; and
- > ensuring, as far as practicable, that the authority complies with applicable governmental policies.

The Commission's Board consists of four non-executive members made up of the Chairperson, Deputy Chairperson and two ordinary members. The Commission's Chief Executive Officer is also a member of the Board. Non-executive members' appointments are approved by the responsible Minister. The Standing Committee on Public Accounts is consulted on all non-executive member appointments in accordance with section 228 (Consultation with appropriate Assembly Committee) of the *Legislation Act 2001*.

The term of appointment for Commission members is three years. Members are eligible for re-appointment at the expiration of that term. The Chief Executive remains as a member for the duration of their term of office.

As at 30 June 2018 the Commission's Board consisted of the following members:

<i>Chairperson:</i>	Mr Paul Baxter
<i>Deputy Chairperson:</i>	Ms Alice Tay
<i>Members:</i>	Ms Carmel Franklin
	Mr Carl Buik
<i>Chief Executive:</i>	Mr David Snowden

In 2017-18, Mr John Haskins AM term as Chairperson of the Board came to an end on 23 November 2017. Following a merit selection process, Mr Paul Baxter was appointed as Chairperson of the Board on 24 November 2017. Mr Carl Buik was subsequently appointed as a Member of the Board on 20 March 2018 after a merit selection process. Ms Alice Tay was re-appointed as a Member on 17 June 2018 after a merit selection process.

The *Gambling and Racing Control Act 1999* prescribes that of the four non-executive members of the Commission "one must have knowledge, experience or qualifications related to providing counselling services to problem gamblers". The appointment of Ms Franklin to the Board on 6 June 2017 ensured compliance with this criterion.

John Haskins (Former Chairperson)

Mr Haskins AM retired from full time work in 1998. For over 20 years prior to his retirement, Mr Haskins was Executive Chairman of a medium-sized construction and development company with offices on the Gold Coast, Sydney and Canberra. He is a past Vice-President of the world-wide construction industry association known as CICA (Confederation of International Contractors' Association) and past president of IFAWPCA (International Federation of Asian and Western Pacific Contractors' Association) of which 15 countries are members.

Mr Haskins is a Life Member and past president of the Master Builders' Association of Australia and of the Master Builders' Association of the ACT. He was a director of ACTTAB for nine years, the last two years of his term as deputy chairman.

Paul Baxter (Chairperson)

Mr Baxter is a semi-retired professional business consultant who until mid-2011 was the public face of the ACT's electricity and water pricing regulator, the Independent Competition and Regulatory Commission, having been the inaugural Commissioner of that agency for nearly 16 years.

This role in the ACT partly overlapped with his nearly 25 years as a Director and Partner in PricewaterhouseCoopers, 16 years as a member of the Independent Audit Group of the Murray Darling Basin Commission, five years as the Associate Commissioner of the PNG Independent Consumer and Competition Commission, eight years as an Associate Commissioner of the ACCC, Chair of the National Water Accounting Standards Development Committee, and Chair of Anglicare Canberra/Goulburn.

Alice Tay (Deputy Chairperson)

Ms Tay (LLB) is a partner with legal firm Meyer Vandenberg and leads their Corporate Advisory and Commercial Division. Ms Tay specialises in Corporate and Commercial Law and Governance. She sits on the boards of the National Heart Foundation, Hands Across Canberra, The Chief Minister's Charitable Fund and mental health start-up The Fly Program.

Carmel Franklin (Member)

Ms Franklin has been the Chief Executive Officer of Care Financial Counselling and Consumer Law Service since July 2008. She is a Consumer Director of the Financial Ombudsman Service, Chairperson of Financial Counselling Australia and a former Member of the Canberra Community Law Board. Ms Franklin holds a Bachelor of Education and Diploma of Financial Counselling. Ms Franklin has the knowledge and experience related to providing counselling services to problem gamblers.

Carl Buik (Member)

Mr Buik brings to the Commission extensive experience in all aspects of consumer protection including business compliance programs, consumer education, and enforcement.

Mr Buik enjoyed a long career with the Australian Competition and Consumer Commission (ACCC). Since 2002 he has undertaken a range of consultancies involving both consumer protection and competition law issues for national governments, international organisations and the private sector.

Mr Buik has qualifications in law (LLB, ANU Australia) and economics (B.Ec UNE Australia & Grad Dip Economic for Competition Law, KCL UK).

David Snowden (Chief Executive Officer and Member)

Mr Snowden is the Chief Operating Officer of Access Canberra and Chief Executive Officer of the Gambling and Racing Commission. Mr Snowden has over 20 years of regulatory, enforcement and senior management experience across multiple Commonwealth, Territory and New Zealand public sector agencies, including Transport, Customs, Competition and Consumer Protection.

Mr Snowden also holds the statutory position of ACT Commissioner for Fair Trading, is a member of the ACT Liquor Advisory Board, and a Board member of Transport Certification Australia.

Meetings of the Commission

The Commission conducts formal board meetings on a monthly basis where comprehensive briefing papers and recommendations regarding significant issues are prepared and presented to the Board.

Minutes of these meetings are kept and decisions of the Commission are communicated in writing to relevant parties. These minutes are examined by the ACT Auditor-General's Office during their annual financial and performance audit of the Commission. The Commission members receive a monthly financial report at each meeting which incorporates monthly and year-to-date financial information and explanations of variances between budget and actual.

Access Canberra resources, personnel and expertise are made available to Board members to assist them to carry out their duties. Access to independent professional or legal advice is available as required. Legal advice in relation to Commission decisions is obtained from the ACT Government Solicitor.

The Commission has adopted the ACT Public Service Code of Ethics.

Table 1: Commission Members' Attendance at Meetings – July 2017 to June 2018

	Jul	Aug	Sep	Oct	Nov	Dec	Jan ¹	Feb	Mar	Apr	May	Jun
John Haskins²	✓	✓	✓	✓	✓	N/A	-	N/A	N/A	N/A	N/A	N/A
Paul Baxter³	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	X ⁴
Alice Tay	✓	✓	✓	✓	X	✓	-	✓	✓	X	✓	✓
Carmel Franklin	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Carl Buik⁵	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A	✓	✓	X ⁶	✓
David Snowden	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓

Notes:

1. A meeting was not held in January 2018.
2. Mr John Haskins term as Chairperson of the Board came to an end on 23 November 2017.
3. Mr Paul Baxter was appointed as Chairperson of the Board effective 24 November 2017.
4. Whilst Mr Paul Baxter did not attend the June 2018 Board Meeting, he participated by providing extensive written input and comments on Board papers.
5. Mr Carl Buik was appointed to the Board effective 20 March 2018.
6. Whilst Mr Carl Buik did not attend the May 2018 Board Meeting, he participated by providing extensive written input and comments on Board papers.

Remuneration for Board Members and the Chief Executive Officer

The ACT Remuneration Tribunal, in accordance with the *Remuneration Tribunal Act 1995*, determines the remuneration of the executive and non-executive Commission members.

Management Committees

Table 2: Name and role of management committees

Name of Committee	Role of Committee	Membership
Internal Audit and Risk Committee (Further details are available in B.5)	Oversees, on behalf of the Board, the Commission’s governance, risk, compliance and internal control environments and provides assurance as to their effectiveness.	Sub-Committee of the Commission’s Board made up of members of the Commission.

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
 Telephone: (02) 6207 1915.

B.2 Performance Analysis

Output Class 1: Gambling Regulation and Harm Minimisation

The Commission's objectives, deliverables and accountability indicators are published in the 2017-18 ACT Budget Statements (https://apps.treasury.act.gov.au/data/assets/pdf_file/0006/1069368/B-Budget-Statements-16-6-17.pdf) on the ACT Budget 2017-18 website. They are used to monitor and assess the Commission's performance.

Output 1.1: Gambling Regulation and Harm Minimisation

The Commission purchases the following services from Access Canberra:

- > administration of gaming laws;
- > the control, supervision and regulation of gaming in the Territory;
- > collection and verification of gambling taxes, levies, fees and charges; and
- > the development and implementation of projects through the Problem Gambling Assistance Fund.

In 2017-18, the following indicators were discontinued:

- > *Number of inspections conducted*- this accountability indicator was an indication of the activities undertaken by Access Canberra on behalf of the Commission to build industry and community awareness, capability and compliance. This was achieved annually through inspections under legislation administered by Commission in order to maintain and enhance community confidence in available services.
- > *Compliance at time of inspection*- this was a measure of annual compliance with relevant regulations and legislation. The result was based on a random sample of licensees.
- > *Percentage of licence application processed within service standard timeframes*- this accountability indicator indicated the time taken to assess and issue licensing for regulatory activities. The indicator was calculated annually and was calculated from the receipt of complete and correct paperwork from applicant through to approval/issuance.

Table 3: Summary of operational performance against targets

Accountability Indicator	Original Target 2017-18	Actual Result 2017-18	% Variance from Original Target
Initiate or complete research projects; analyse significant research projects conducted elsewhere*	5	5	-
<i>Keep informed about gambling issues and harm minimisation strategies</i>			
Initiate or complete projects through the Problem Gambling Assistance Fund*	4	4	-
<i>Undertake measures designed to reduce the negative impact of gambling harm</i>			
Percentage of customers satisfied with the Gambling and Racing Commission*	90%	100%	11.1
Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission*	95%	100%	5.3
Compliance rate during targeted campaign inspections*	90%	100%	11.1
Compliance activities: engage, educate, enforce*	Ratio:70:20:10	74:25:1	5.7/20/(90)
Average number of days to issue business authorisation or personal registration*	10 working days or less for business	8 working days	-
	5 working days or less for personal	14.1 working days	(182)
Average level of helpfulness after issuing a notice or before issuing a licence/authorisation*	4.2 out of 5	4.5 out of 5	7.1

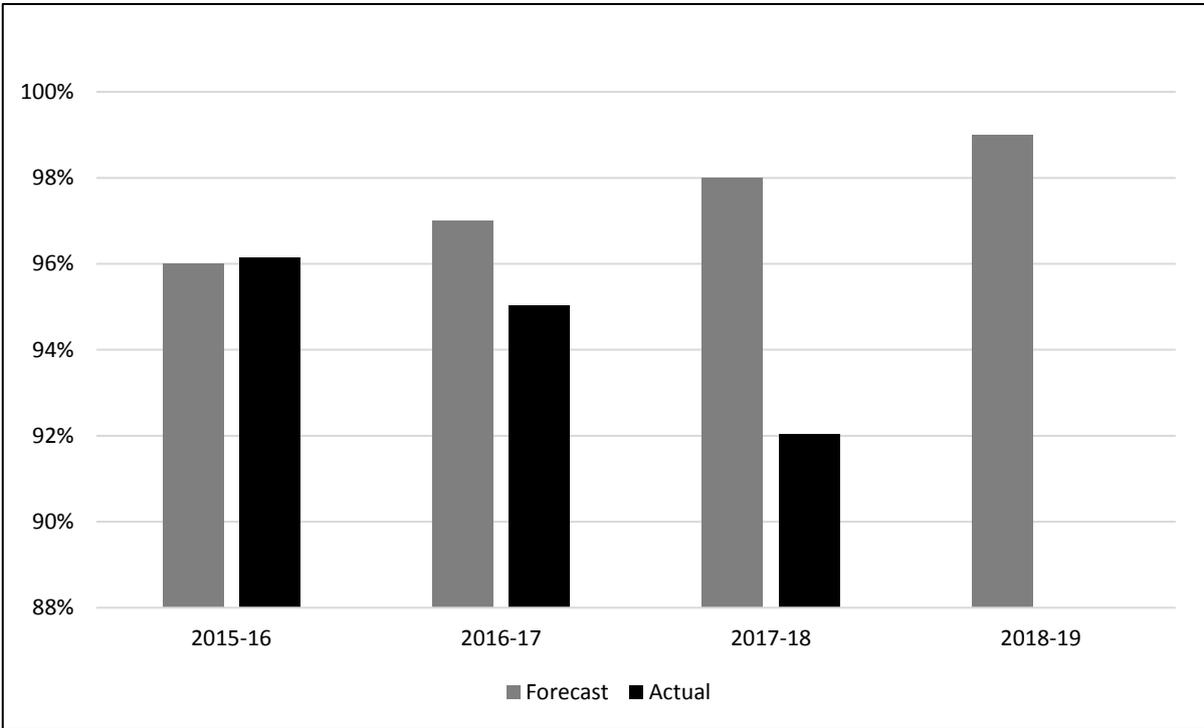
*Further information including explanation of measures and variance explanations is available in section C.6 Statement of Performance.

Strategic Objectives and Indicators

Strategic Objective 1: Ensure the Accuracy of Returns by Operators for Gambling Related Taxes, Levies on Behalf of the ACT Government

On behalf of the Commission, Access Canberra receives returns from operators along with payments for gambling related taxes and levies. The returns are reconciled against operators’ activities for compliance and variation advice issued if discrepancies are identified. This reduces the number of variations through engagement and education with operators in the ACT. Compliant returns are an indication of the Commission’s performance in this area and ensures the correct amount of revenue is collected for the Government and community.

Strategic Indicator 1 (Forecast): Percentage of Accurate Gambling Taxation Returns as a Proportion of Returns



Result

The percentage of accurate gambling taxation returns for 2017-18 decreased to 92 per cent (95 per cent in 2016-17). Although there has been a decrease when compared to previous years, Access Canberra, on behalf of the Commission, will continue to work with and educate licensees to reduce this variance.

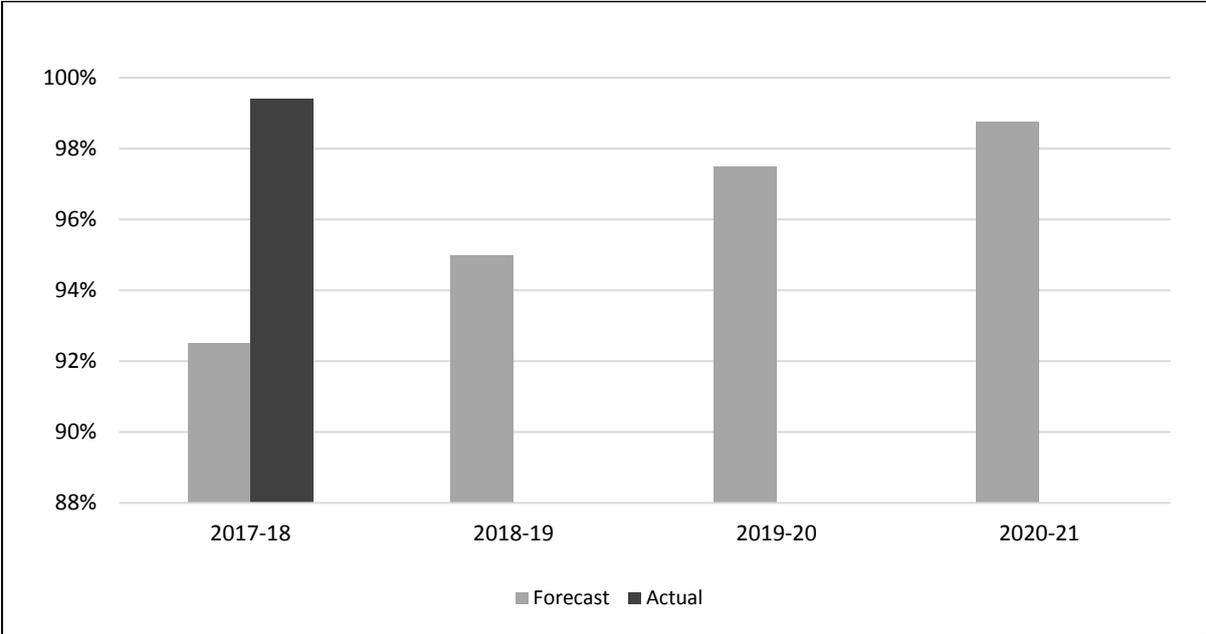
Strategic Objective 2: Ensure Gambling Operators’ Compliance with Legislation

On behalf of the Commission, Access Canberra conducts a comprehensive inspection program to ensure that operators comply with relevant gaming and wagering legislation. Through this inspection program and its engage and educate approach to regulation, the Commission aims to increase compliance with the various gaming laws.

As a result of the enhanced engagement and education activities, the Commission obtains information that is within the risk and harm model, used to develop regulatory strategies in order to

predict and prevent noncompliance. An increase in successful engagement with, and education of licensees may decrease the use of formal enforcement powers as licensee behaviour is likely to show a higher level of regulatory compliance.

Strategic Indicator 2 (Forecast): Regulatory education and engagement activities result in a decreasing need for the use of formal enforcement powers.



Strategic Indicator 2 (Actual): Regulatory education and engagement activities result in a decreasing need for the use of formal enforcement powers.

Result

The approach of the Commission is to engage and educate through the conduct of compliance programs and when responding to enquiries or complaints. This approach supports the goal to support licensees achieve voluntary compliance.

An increased focus on engagement and education activities undertaken with licensees in 2017-18 has had a positive impact on the level of industry compliance, resulting in a reduction in the need to undertake enforcement action during the reporting period. In 2017-18 there were a total of 511 interactions with industry that included 378 engagement activities, 130 education activities and three enforcement actions.

In 2018-19, the Commission will continue to take a proportionate enforcement response on matters where the risk, harm or level of detriment to a party warrants action.

Strategic Objective 3: To Reduce the Impact of Gambling Harm

The Commission must perform its functions in a way that reduces the risks and costs of gambling harm to the community and individuals. The Commission monitors the social effects of gambling and gambling harm in the ACT, and aims to reduce the impact of gambling harm through targeted research and implementing evidence based strategies.

The public health approach acknowledges that focusing attention on only the small group of people who are classified as “problem” gamblers will not in itself help to reduce the incidence of gambling harm in the population. Treating those already experiencing severe harms does not prevent or

reduce the risk of others being harmed. In addition, research has shown that gambling harm can be a result not only of individual risk factors, but environmental, technological and socioeconomic factors.

The Commission uses public health informed strategies directed along a continuum of gambling harm. This includes:

- > supporting educative and gambling harm awareness strategies for the entire Canberra community;
- > ensuring compliance with regulatory protections;
- > providing self-help strategies for people at risk of experiencing harm;
- > a range of measures targeting people experiencing high levels of gambling harm including funding counselling services and relapse prevention strategies, targeted interventions including regulatory requirements such as warning messages, visibility of poker machines, cash payout limits and monitoring compliance during inspections and audits; and
- > funding gambling harm awareness courses for non-gambling specific community sector workers, information about help for people at risk including self-exclusion options, and gambling harm awareness activities and promotions.

Strategic Indicator 3 (Actual): Develop and implement research based strategies to reduce the negative impacts of gambling harm

Result

In October 2017 the Commission initiated the Gambler in-Venue Support (GiVS) program aimed at increasing the consistency and effectiveness of assistance provided to Canberrans who gamble at venues in the ACT through support strategies for venue staff and management.

The development of this program was informed in particular by the findings of two pieces of research. The first was the “Informing Targeted Interventions for People Experiencing Gambling Harms in the ACT” report which was the culmination of a research project undertaken by the ANU’s Centre for Gambling Research on behalf of the Commission. As a result of this report the Commission has provided support through the GiVS program to gambling venue staff and management to help them understand the nature of gambling harm and to provide resources to help break down any social barriers to engagement between staff and patrons about gambling harm. More broadly, this research has also informed the development by the Commission of effective targeted communication strategies on the subject of gambling harm.

The second was a “Validation study on in-venue problem gambler indicators” by Dr. Anna Thomas for Gambling Research Australia. This report built on the earlier Gambling Research Australia report “Identifying Problem Gamblers in Gaming Venues” undertaken by Dr. Paul Delfabbro. This report has informed the development of training programs for venues and the Gambling Behaviour Checklist developed by this report was included in the venue support kits outlined below to aid in the identification of patrons who may be showing signs of gambling harm.

Informed by the findings and recommendations of these reports, the Commissions has undertaken development and delivery of the following GiVS program projects:

- > development and launch during Gambling Harm Awareness Week 2017 of the *We Don’t Play It Down* in-venue gambling harm prevention kit as a resource for venues*;
- > development and delivery of an annual training package for Gambling Contact Officers (GCOs). The training focusses on improving gambling harm awareness, improving use of the online

gambling incident register and increasing the skills and confidence of GCOs to provide assistance to their patrons; and

- > development of training for board members of ACT licensed Clubs about the implementation of a public health approach to gambling harm prevention and the legal responsibilities of a gambling licensee.

*In-venue gambling harm prevention kit resources included:

This venue is committed to reducing gambling harm by:

- Looking out for signs of gambling harm
- Checking in on players regularly
- Implementing harm prevention policies and procedures
- Providing assistance, advice, or just someone to talk to
- Taking action if we see signs of gambling harm

GAMBLING HARM
we
DON'T PLAY it DOWN

For more information go to act.gov.au/dontplayitdown or speak to staff at this venue.

Know the signs of gambling harm.

- Spending more time or money than you wanted
- Having less money than you should
- Having regrets or feeling guilty after playing
- Losing focus at work or social events
- Trying to win back your losses
- Spending less time with people you care about
- Hiding how much you play from friends and family
- Playing after the fun stops

GAMBLING HARM
we
DON'T PLAY it DOWN

For more information go to act.gov.au/dontplayitdown or speak to staff at this venue.

GAMBLING HARM
DON'T PLAY it DOWN

Gambling harm is any negative impact from gambling. It's not just about losing money. Gambling can also harm your:

Work or study **HEALTH**
Relationships

FAMILY **EMOTIONS**

Most people who experience gambling harm are NOT problem gamblers. If you gamble more than \$40 a week or more than once per week, you have a higher risk of gambling harm.

For more information visit act.gov.au/dontplayitdown

Operational Performance Achievements

Achievements against identified 2017-18 priorities

Harm Minimisation and Prevention

In accordance with subsection 6(2) of the *Gambling and Racing Control Act 1999* the Commission is required to monitor and research the social effects of gambling and problem gambling. The Commission's Statement of Intent specifies the analysis, initiation or completion of five research projects in 2017-18.

The Commission meets its research obligations through a range of activities and strategies including sponsoring and funding research projects through the Australian National University (ANU) Centre for Gambling Research (the Centre) as well as contributing to national research projects through Gambling Research Australia (GRA).

In addition, the Commission monitors research projects published by other Australian jurisdictions as well as international publications particularly in North America, Europe and the United Kingdom.

ANU Centre for Gambling Research

In May 2018 the Centre published the "*Informing Targeted Interventions for People Experiencing Gambling Harms in the ACT*" report. The report was the culmination of a research project undertaken on behalf of the Commission and funded through the Problem Gambling Assistance Fund.

Key findings of the report include:

- > participants' concept of 'problem gambling' tended to be defined in terms of addiction, extreme behaviours, and severe and tangible negative consequences that also impacted others, particularly close family members;
- > The term 'problem' to define gambling issues was found to be a barrier to people self-identifying harmful gambling behaviour;
- > family and friends were overwhelmingly most preferred by participants for talking to people about their gambling.

Informed by this research, the Commission has already started work on focusing communication strategies on family and friends as an avenue to self-identification and help-seeking and will be a focus of Gambling Harm Awareness Week to be held from 8 to 14 October 2018.

Research from other jurisdictions

In addition to sponsoring and funding research projects as part of the Commission's requirement under the *Gambling and Racing Control Act 1999* to monitor and research the social effects of gambling and problem gambling, the Commission also monitors research undertaken by other jurisdictions.

In November 2017 the Victorian Responsible Gambling Foundation released its "*The Social Cost of Gambling to Victoria*" research report, undertaken by Central Queensland University.

The aim of the study was to assess the costs associated with gambling harm to the individual, to 'affected others' and to governments.

Key findings from the report include:

- > spending by those with at least some gambling problems may account for up to 77 per cent of total gambling revenue;
- > the combined cost of those in the low-risk and moderate-risk of gambling harm categories is nearly five times the amount that the problem category costs the Victorian Government;
- > gambling in Victoria costs the community \$7 billion per financial year.

The findings of this study provide support to the Commission's public health framework to address gambling harm. The report identifies broad costs to the community well beyond those experienced by individuals, and makes a strong case for involvement by other government agencies, the community sector, and industry.

Engage and Educate

In 2017-18, the Commission assisted in implementing the ACT Government ban on greyhound racing within the ACT. This involved a significant amount of engagement with affected industry participants prior to the ban taking effect on 30 April 2018. In conjunction with the Transport Canberra and City Services (TCCS) Directorate, the Commission undertook an intensive two week period of inspection activity to ensure that all affected parties were clearly aware of the impacts the ban would have as it relates to racing and trialling.

There were no detected breaches associated with the illegal conduct of greyhound racing or associated gambling from the commencement of the ban on 30 April 2018. The Commission will continue to monitor compliance with the greyhound racing ban in the 2018-19 year.

The Commission engaged with industry regarding the implementation of legislative reforms to EFTPOS limits, which also requires staff interaction with the patron seeking to make an EFTPOS withdrawal. The Commission identified a high level of compliance across the industry following the introduction of this change.

The Commission's proactive compliance programs for the reporting period continued to reinforce the legislative obligations to individuals and licensees. The ongoing decline in the number of breaches detected and the noticeable reduction in the use of formal enforcement powers is evidence of the benefit to the industry and the community of the engage and educate approach used by the Commission.

Enforcement

In the event of a breach of the legislation being identified by the Commission, subject to the seriousness of the breach, an initial warning is issued to the offending licensee and advice provided that any further breaches may result in formal disciplinary action being commenced. However, in instances of repeated offences or more serious breaches, the Commission will consider taking disciplinary action against the licensee.

In accordance with section 58 of the *Gaming Machine Act 2004* disciplinary action may take the form of a reprimand, a monetary penalty or the suspension or cancellation of a gaming machine licence. Disciplinary action is only taken against a licensee after the licensee has been given the opportunity to show cause why the Commission should not take the disciplinary action it proposes.

Following detailed investigations, the Commission finalised disciplinary action against three licensees for breaches of the legislation in 2017-18. The following table summarises these disciplinary matters.

Table 4: Summary of disciplinary matters during 2017-18

Licensee	Section	Description of the Breaches	Disciplinary Action Taken
Lanyon Valley Rugby Union & Amateur Sports Club	153A	Failure to ensure that ATM withdrawal limits are in place	\$5,000 monetary penalty
Canberra Southern Cross Club Tuggeranong	153A	Failure to ensure that ATM withdrawal limits are in place	\$5,000 monetary penalty
Canberra Raiders Sports Club Ltd T/A Raiders Belconnen	39(1)	Failure to record the signs of a gambling problem, as required by the <i>Gambling and Racing Control (Code of Practice) Regulation 2002</i>	Licensee reprimanded

Appeals against Disciplinary Penalties

The Canberra Raiders Sports Club Ltd appealed to the ACT Civil and Administrative Tribunal for a review of a decision of the Commission made on 24 November 2017.

Innovate, Collaborate and Consult

During 2017-18, the Commission through Access Canberra undertook a number of collaborative and consultative activities. Access Canberra staff collaborate with:

- > licence holders to facilitate a number of licensing activities;
- > members of the public answering questions, queries or taking feedback;
- > interstate colleagues in other gaming regulators sharing knowledge and lessons learnt; or
- > international colleagues particularly New Zealand and Singapore regulators, to learn from their experiences and regulatory framework.

Other relevant performance activities

Casino Employee licensing

The licensing of persons employed in relation to gaming, security, finance and other key areas of the casino ensures that these people meet the provisions of the *Casino Control Act 2006*. Employees in low risk areas of the casino (e.g. food and beverage and cleaning) are not required to be licensed.

Table 5: Summary of casino licensing activities 2017-18

Licences Processed	Number
New Employees	60
Renewals	56
Variations	41
Cessations	62
Current Casino Employees	Number
Licensed	193
Unlicensed	48

Approval of Casino gaming equipment and chips

The approval of gaming equipment and chips by the Commission from approved suppliers ensures that:

- > the gaming equipment is of a high standard and does not contain any bias; and
- > the chips are not counterfeit and are not easily able to be counterfeited.

Approval for new gaming table layouts, decks of cards, commission-based program chips and promotional chips was given by the Commission during 2017-18. Approval was also given for a software module to be added to the casino's management system to assist with commission-based program player tracking.

Approval of Casino rules of games

The approval of the rules of games by the Commission ensures that the casino games are conducted in a fair and equitable manner and that an appropriate return to players is provided.

Approval for amendments to the rules of Mini Baccarat, American Roulette, Poker – Hold-em and Poker Omaha were given by the Commission during 2017-18. At the end of the reporting period, the Commission was considering proposed amendments to the rules for Pai Gow.

The Commission also liaised with the casino to ensure that all necessary approvals were in place to allow the casino to conduct Two-Up on Anzac Day 2018.

Approval of Casino control procedures

The control procedures cover the detailed operations of the casino and are an essential part of the regulatory scheme, ensuring that casino operations are conducted in an honest, accountable and transparent manner. They ensure consistency across table games and strict adherence to reporting requirements. The Commission must approve changes to the casino's control procedures.

Approval for a number of new job descriptions and organisation charts were given by the Commission during 2017-18 as result of changes in reporting lines, job titles and restructuring of the Canberra Casino.

The control procedures for Mini Baccarat and Poker were changed in order to facilitate an amendment to each game's rules approved by the Commission. Additionally, amended procedures were approved for the Security, General Gaming, Surveillance and Cash Desk Departments.

In 2017-18, the Commission issued a Direction pursuant to section 63(1)(d) of the *Casino Control Act 2006* to the casino directing the casino to provide control procedures specifically for the operation of commission based player programs. The casino subsequently complied with the Direction.

Review of Casino Patron Exclusion Notice

A casino official may exclude a person from entering or remaining in the casino by giving the person an exclusion notice orally or in writing. A person may appeal in writing to the Commission against the casino licensee's decision to give the person an exclusion notice. After considering submissions from the person and the casino licensee, the Commission must confirm, change or revoke the exclusion notice.

In 2017-18, the Commission did not receive any written appeals against an exclusion notice.

Compliance Inspections of Casino

The Commission uses a risk based inspection methodology to ensure the casino's compliance with the relevant legislation.

In 2017-18, a total of 83 inspections of casino operations were undertaken.

Breaches Detected - Casino

There were 1574 self-reported breaches of the approved rules and procedures in 2017-18. Examples include dealer errors (e.g. losing bet paid, incorrectly identifying the winning number on roulette) and where an excluded person has been identified (and subsequently asked to leave). These breaches are noted but no further action is taken by the Commission as they are rectified almost immediately.

Disciplinary Action - Casino

In the event of a breach of the legislation being identified, subject to the seriousness of the breach, an initial warning is issued to the casino licensee and/or relevant employee and advice provided that any further breaches may result in formal disciplinary action being commenced. However, in instances of repeated offences or more serious breaches the Commission will consider taking disciplinary action.

In 2017-18 the Commission did not initiate disciplinary action against the casino licensee.

Further information may be obtained from:

Deputy Director, Regulatory Solutions & Compliance, Access Canberra
Telephone: (02) 6207 2992

Deputy Director, Licensing and Registrations, Access Canberra
Telephone: (02) 6207 9012.

Trading Scheme

At the start of the trading scheme in August 2015, there was a total of:

- > 39 licensees;
- > 58 licensed venues;
- > 5,022 gaming machines authorisations; and
- > 5,022 gaming machines.

As of 30 June 2018 there was a total of:

- > 31 licensees;
- > 50 licensed venues;
- > 4,947 gaming machine authorisations; and
- > 4,462 gaming machines in operation.

The following table provides a breakdown of these figures.

Table 6: Summary of trading scheme figures as at 30 June 2018

LICENCES	
Number of Licensees as at 31 August 2015	39
Licences Cancelled or Surrendered	8
Current Number of Gaming Machine Licensees - Clubs (Class C)	26
Current Number of Gaming Machine Licensees - Hotels/Taverns (Class B)	5
Current Number of Gaming Machine Licensees - Total	31
AUTHORISATION CERTIFICATES (i.e. Venues)	
Number of Authorisation Certificates as at 31 August 2015	58
Authorisation Certificates Cancelled or Surrendered	9
Authorisation Certificates Approved (Eastlake Gungahlin)	1
Current Number of Authorisation Certificates - Clubs (Class C)	45
Current Number of Authorisation Certificates - Hotels/Taverns (Class B)	5
Current Number of Authorisation Certificates - Total	50
AUTHORISATIONS (To operate a gaming machine under an Authorisation Certificate)	
Number of Authorisations as at 31 August 2015	5022
Authorisations Forfeited on Confirmation of Trade	69
Authorisations Surrendered	6
Authorisations Cancelled	0
Current Number of Authorisations	4947
GAMING MACHINES	
Gaming Machines as at 31 August 2015	5022
Gaming Machines Forfeited with Trade and by Surrender	75
Gaming Machines in Quarantine	0
Gaming Machines in Storage	78
Authorisations in Storage (without machine)	0
Authorisations in Quarantine (without machine)	0
Authorisations Without Machines (Unused Authorisations)	407
Current Number of Gaming Machines in Operation	4462

Applications for Additional Authorisations – Gaming Machines

In 2017-18, the Commission did not receive applications for additional gaming machine authorisations. Applications include the submission of a social impact assessment which is a written assessment of the likely economic and social impact of the operation of gaming machines.

Licence Cancellations and Transfers – Gaming Machines

The Commission did not receive any applications to transfer a licence, one licence was surrendered and one Authorisation Certificate was surrendered.

Application for Initial Gaming Machine Licence – Gaming Machines

The Commission did not receive any applications for an initial gaming machine licence in 2017-18. An in principle authorisation certificate approval was converted to an authorisation certificate.

Notification for One-off Increase Maximum Amendment

To facilitate trading under Phase 1 of the scheme, Class C licensees are able to make a one-off increase to the maximum number of authorisations under an authorisation certificate, without needing a Social Impact Assessment. A licensee with less than a maximum of 120 authorisations at the commencement of Phase 1 can increase their maximum number by up to 12. A licensee with a maximum of 120 or more authorisations at the commencement of Phase 1 can increase their maximum number by up to 10 per cent, to a maximum of 20 additional authorisations.

During 2017-18, the Commission received three notifications from the Eastlake Club, the Calwell Club and the Kaleen Sports Club seeking to increase their maximum number of authorisations under their respective authorisation certificates. The Commission was satisfied that all three venues met the requirements of section 37A(3)(a)(b) and (c) of the *Gaming Machine Act 2004* (the Act). The Commission amended their authorisation certificates under section 37A of the Act.

Licence Amendments – Notifications and Approvals

As part of the Government's red tape reduction measures, a number of licence amendment approvals have been replaced with notifications. This means that instead of seeking approval to take an action, the licensee simply notifies the Commission. For example, a licensee may notify the Commission about their intention to acquire an authorisation or gaming machine, to trade authorisations for stored machines, or to make a technical change to an authorisation schedule.

Changes to storage requirements were also made so that Class C licensees are able to store authorisations and gaming machines according to their business needs. Licensees can now store gaming machines for a wider range of purposes than previously accepted. This gives licensees the flexibility to manage their operational and business needs in a more responsive manner.

There are three different types of storage permits:

- > General purpose – for any reason, for a stated period of no longer than 12 months;
- > Interim purpose – for machines that are to be disposed of, for a period of no longer than three months; or
- > Quarantine permit.

The following table summarises licence variation activity (including the disposal of machines) in 2017-18.

Table 7: Summary of licence variation activity 2017-18

Licence Variation Activity	Number
Notifications	
Number of gaming machines converted on application by licensees	1,387
Number of gaming machines replaced on application by licensees	543
One off increase in authorisations	3
Approvals	
Applications to operate a linked-jackpot arrangement	45
Applications to operate a multi-user linked-jackpot arrangement	0
Applications to disburse a linked-jackpot amount	35
Application for gaming area amendment	2
Application for premises relocation	0
Application for increase maximum authorisations (other than one-off)	0

Community Contributions

The *Gaming Machine Act 2004* provides that the Commission may approve contributions made by a gaming machine licensee to a stated entity for a stated purpose as community contributions, if satisfied the contributions will have the effect of contributing to or supporting the development of the community or raising the community's, or part of the community's, standard of living. Categories of community contributions are charitable and social welfare, problem gambling, sport and recreation, women's sport, non-profit activities and community infrastructure.

All gaming machine licensees are required to:

- > record each community contribution made by the licensee, stating the entity to which, and the purpose for which, each contribution was made and the amount or value of the contribution; and
- > within one month after the end of a financial year, give the Commission a copy of those records together with a financial report for the financial year.

The Commission must, within four months of the end of the financial year, give the Minister a report summarising the extent of legislative compliance and analysing the level of community contributions by gaming machine licensees. The latest community contributions report (the 2017-18 financial year) is available on the Commission's website.

Clubs

The *Gaming Machine Act 2004* requires clubs that are gaming machine licensees to make a minimum contribution of eight per cent of net gaming machine revenue in eligible community contributions.

The Commission's *Community Contributions made by Gaming Machine Licensees 2016-17 Report* notes:

- > \$11.9 million in contributions were made out of a total of \$94.6 million in net gaming machine revenue (12.6 per cent); and
- > \$6.9 million (58.1 per cent) of contributions were provided in the sport and recreation category.

Hotels/Taverns

Hotels and Taverns that are gaming machine licensees must report their community contributions but there is no minimum requirement.

Contributions by these licensees in 2016-17 amounted to a total of \$7,018.

Compliance Inspections of Gaming Machine Licensees

In 2017-18, a total of 250 inspections were undertaken relating to gaming machine venues to identify a licensee's compliance with the *Gaming Machine Act 2004* and the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code of Practice) and where applicable the *Lotteries Act 1964*.

During the reporting period, there were three targeted campaigns undertaken relating to gaming machine compliance. The campaigns focussed on the following areas:

Code of Practice Inspection Program

The purpose of this program was to ensure that licensed gaming machine venues were complying with legislative requirements relating to the operation of gaming machines. A particular focus of the program was the harm minimisation requirements that are in place to reduce the risk of harm to individuals and the community in relation to problem gambling. In addition, a further purpose was to undertake an engagement and education approach with licensees in order to encourage compliance with the amendments in relation to the EFTPOS cash withdrawal limits. The measures of success for this program were to see an increase in compliance from previous audits, to promote awareness of legislative requirements and to ensure licensees were operating EFTPOS facilities in accordance with recent amendments to their use. There were 6 breaches identified as part of this program with further detail of the breaches detected below (page 39). The nature of the breaches allowed for them to be addressed through a mixture of education and follow up inspections, with the net result being licenses informed of their legislative obligations and identified areas of non-compliance addressed.

Expired Gaming Credits Program

This program was conducted to ensure that licensees who operate a cashless gaming system were compliant with section 35 of the *Gaming Machine Regulation 2004* which requires that, within one month after the end of each financial year, they give the Commission a written report stating the value of the expired gaming credits (if any) the licensee held in each month of that year; and the amount of funds (if any) the licensee distributed to patrons in each month of that year. The issues identified during this program related to 19 licensees not lodging a report with the Commission within the required timeframe – however expired gaming credits had been appropriately disbursed within their respective venues. As a result, further education was provided to licensees in terms of report lodgement and no further compliance was taken.

Excluded Persons Payouts Program

The program was an education program designed to identify whether any persons that had a current exclusion under the *Gambling and Racing Control (Code of Practice) Regulation 2002* had received payments from gaming machine licensees. Information obtained during the conduct of the program identified 2 instances where an excluded person had been paid winnings. There was no compliance action taken as part of this program, rather the two licensees were assisted to comply through an education approach.

Breaches Detected - Gaming Machine Licensees

The Commission identified a total of 13 breaches of the legislation during the reporting period. This includes 7 breaches of the *Gaming Machine Act 2004* and 6 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002*. The 7 breaches of the *Gaming Machine Act 2004* were:

- > 1 instance of failing to comply with a licence condition;
- > 1 instance of failing to display an approved gaming machine statement;
- > 1 instance of failing to pay gaming machine tax within the required period;
- > 2 instances of failing to lodge a gaming machine tax return within the required period; and
- > 2 instances of not making the required payment to the Problem Gambling Assistance Fund within the required timeframe.

The 6 breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* were:

- > 2 instances of Staff not undertaking required Responsible Service of Gaming Training;
- > 1 instance of failing to report a problem gambling incident;
- > 1 instance of failing to display adequate information in a gaming area in relation to people under 18 years old, and intoxicated people not being allowed to gamble;
- > 1 instance of rules and conditions for venue promotions not being available for inspection by Members; and
- > 1 instance of failing to review the ACT Gambling Exclusion Database within 3 trading days.

There were no breaches of the *Gaming Machine Regulation 2004* or *Lotteries Act 1964* detected during inspections of gaming machine venues in 2017-18.

At the conclusion of each of the three programs 100% compliance was achieved as a result of the regulatory interventions.

Review of Gaming Machine Licensee Patron Exclusion Notice

A gaming machine licensee may exclude a person from gambling at the venue by giving the person an exclusion notice in writing. A person may appeal in writing to the Commission against the licensee's decision to give the person an exclusion notice.

After considering submissions from the person and the licensee, the Commission must confirm, change or revoke the exclusion notice.

In 2017-18, the Commission did not receive any written appeals against an exclusion notice.

Racing and Wagering

The Commission licenses and regulates the activities of race and sports bookmakers pursuant to the provisions of the *Race and Sports Bookmaking Act 2001*.

Bookmaker licences are issued strictly in accordance with the suitability requirements of the relevant legislation, following close scrutiny and analysis of information provided by the applicants and other law enforcement agencies together with the results of associated investigations. Similarly, proposed amendments to the rules governing the conduct and operations of sports bookmakers are rigorously assessed for consistency with relevant legislative requirements prior to approval by the Commission.

The Commission has statutory responsibilities associated with the resolution of betting disputes. The Commission also provides secretariat and administrative support for the Racing Appeals Tribunal, an independent authority established under the *Racing Act 1999* to hear and determine appeals from persons aggrieved by decisions of controlling bodies responsible for the conduct of racing.

Totalisator Operations

In 2017-18, the Commission received one request to approve a minor change to the approved Totalisator Betting Rules. After due diligence the Commission approved the amendment.

Race Bookmaking Operations

In 2017-18, the Commission conducted probity assessments in relation to the licensing of race bookmakers and race bookmakers' agents in accordance with the *Race and Sports Bookmaking Act 2001*.

Table 8: Summary of race bookmaking activities 2017-18

Type of Commission Activity	Number
New Race Bookmaking Licence	0
Renewed Race Bookmaking Licence	0
New Race Bookmaker's Agents Licence	0
Renewed Race Bookmaker's Agents Licence	0
Total current Race Bookmaking Licences as at 30 June 2018	10
Total current Race Bookmaker's Agents Licences as at 30 June 2018	6

Sports Bookmaking Operations

Table 9: Summary of sports bookmaking activities 2017-18

Type of Commission Activity	Number
New Sports Bookmaking Licence	0
Renewed Sports Bookmaking Licence	0
Surrendered Sports Bookmaking Licence	0
New Sports Bookmaker's Agents Licence	0
Renewed Sports Bookmaker's Agents Licence	0
Total current Sports Bookmaking Licences as at 30 June 2018	1
Total current Sports Bookmaker's Agents Licences as at 30 June 2018	0

Cross-border Betting Issues

The Commission continues to closely monitor national racing industry developments, including outcomes or changes based on interstate investigations and litigation with a view to determining whether there are any impacts on the racing industry in the ACT.

In 2017-18, the Commission received a complaint that representatives of an interstate gambling provider did not hold a sports bookmaking licence in the ACT and allegedly engaged in sports bookmaking in breach of section 19 of the *Race and Sports Bookmaking Act 2001*. In 2017-18 this

investigation was finalised. It was concluded there had been no breach, as the interstate entity was not “carrying on the business of receiving or negotiating sports bets” in the ACT.

A ban on greyhound racing and trialling in the ACT commenced on 30 April 2018. The breeding, training and ownership of racing greyhounds is still permitted in the Territory and is being monitored by Transport Canberra and City Services (TCCS). The Commission continues to monitor compliance in relation to the requirements of the ACT gaming laws, and works closely with TCCS in the overall monitoring of compliance with the ban.

Compliance Inspections of Racing and Wagering Licensees

In 2017-18, the Commission undertook 115 inspections of racing and wagering providers in the Territory to identify compliance with the *Race and Sports Bookmaking Act 2001*, the *Totalisator Act 2014*, the *Racing Act 1999* and the *Gambling and Racing Control (Code of Practice) Regulation 2002*.

During the reporting period, there were three targeted campaigns undertaken of racing and wagering licensees. One campaign identified three instances of non-compliance. Following the completion of the campaign, compliance was reassessed through a follow-up visit and found that all previous instances of non-compliance were rectified, resulting in 100% compliance for the campaign.

Breaches Detected – Racing and Wagering

The Commission identified five minor breaches of the *Race and Sports Bookmaking Act 2001* as follows:

- > five related to the failure to submit a race bookmaking return within 28 days after the end of the relevant period as required by section 66(1).

The Commission identified five minor breaches of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (compared to nil in 2016-17) as follows:

- > two related to the failure to ensure that gambling advertising contained or was published near the name and telephone number of an approved gambling counselling service in the ACT as required by section 1.29; and
- > three related to the failure to ensure that gambling promotional material contains the rules and conditions of the promotion or states where they can be found as required by section 1.30(4).

In each case, the Commission engaged with respective licensees and racing bodies in relation to the breach and provided education on reporting obligations.

No breaches of the *Totalisator Act 2014* or the *Racing Act 1999* were detected in 2017-18.

Betting Disputes

Specific matters of dispute between sports bookmakers and their clients can be referred to the Commission as betting disputes pursuant to the *Race and Sports Bookmaking Act 2001*. This dispute process is separate to the general complaints provisions under section 31 of the *Gambling and Racing Control Act 1999*.

In 2017-18, the Commission did not receive any betting disputes.

Further information may be obtained from:

Deputy Director, Regulatory Solutions & Compliance, Access Canberra
Telephone: (02) 6207 2992; or

Deputy Director, Licensing and Registrations, Access Canberra
Telephone: (02) 6207 9012.

Lotteries

The Commission regulates lottery activity to ensure it is properly conducted and subscribers' interests are adequately protected.

Major Interstate Lotteries

The sale of interstate lottery products in the ACT is approved by the Commission under the *Lotteries Act 1964* and the *Pool Betting Act 1964*. Any variation in the way these products are operated also requires the approval of the Commission.

The ACT Government has revenue sharing arrangements with the New South Wales, Victorian and Queensland Governments in relation to the value of interstate lottery sales in the Territory.

Trade Promotion Lotteries, Raffles and other Lotteries

In 2017-18, 2,784 lottery permits were issued and a further 404 lottery amendment applications were approved in the reporting period.

Table 10: Summary of lotteries permits issued in 2017-18

Type of Approval	Amount
Trade Promotion Lotteries	2572
Raffles	202
Housie	5
Other	5
Total	2,784

Compliance Inspections of Lottery Providers

The Commission undertakes inspection programs that may include lotteries conducted in the Territory. In 2017-18, a total of 5 inspections were conducted on lottery and pool betting providers.

Breaches Detected - Lotteries

The Commission identified no breaches of the *Lotteries Act 1964*.

Further information may be obtained from:

Deputy Director, Regulatory Solutions & Compliance, Access Canberra
Telephone: (02) 6207 2992; or

Deputy Director, Licensing and Registrations, Access Canberra
Telephone: (02) 6207 9012.

Charitable Gaming

Part 3 of the *Unlawful Gambling Act 2009* provides for approved charitable fundraising through games under certain circumstances. Persons wishing to conduct a charitable game in the Territory must apply in writing for approval.

In 2017-18, the Commission approved the conduct of 5 games.

No breaches of the *Unlawful Gambling Act 2009* were identified in 2017-18.

Conduct of Two-Up on Anzac Day

Part 4 of the *Unlawful Gambling Act 2009* provides for the conduct of exempt two-up games on Anzac Day, subject to prescribed conditions. In 2017-18 the Commission conducted 11 inspections of venues conducting two-up on Anzac Day. No breaches of the *Unlawful Gambling Act 2009* were identified.

Interactive Gaming Regulation

In 2017-18, there were no interactive gaming service providers licensed in the Territory.

Further information may be obtained from:

Deputy Director, Regulatory Solutions & Compliance, Access Canberra
Telephone: (02) 6207 2992; or

Deputy Director, Licensing and Registrations, Access Canberra
Telephone: (02) 6207 9012.

B.3 Scrutiny

Legislative Assembly Inquiries and Reports

Table 11: Summary of recommendations relevant to the Commission carried over from 2016-17

Standing Committee on Public Accounts Inquiry into elements impacting on the future of the ACT Clubs sector Government Response Tabled 17 November 2015		
Recommendation No. and Summary	Action	Status
Recommendation 20 The Committee recommends that the ACT Gambling and Racing Commission work together with ClubsACT and the ANU Centre for Gambling Research to facilitate better access by researchers to gambling data and club venues.	Government response: Agreed The Commission supports and facilitates access to venues and data by ANU. The integrity of research, and its independence, is critical in gambling research and must be maintained.	Complete
Recommendation 32 The Committee recommends that the Government move to an electronic-based system for the reporting of Electronic Gaming Machine movements and any other activities rather than the current paper-based system.	Government response: Agreed in principle Access Canberra continues to develop and deploy smart forms for online applications, including for gaming machines. Smart forms for lottery applications, technical amendment notifications and installation certificates are complete.	Complete

https://www.parliament.act.gov.au/_data/assets/pdf_file/0007/809170/8th-PAC-18-Clubs-tabled-27-10-15.pdf

Table 12: Summary of Legislative Assembly inquiries and report recommendations relevant to the Commission from 2017-18

Select Committee on Estimates 2017-18 Inquiry into Appropriation Bill 2017-2018 and Appropriation (Office of The Legislative Assembly) Bill 2017-2018 Government Response Tabled 1 August 2017		
Recommendation No. and Summary	Action	Status
Recommendation 25 The Committee recommends that the annual report in relation to gaming and racing include a section dealing with: <ul style="list-style-type: none"> a) amounts collected for the Problem Gambling Assistance Levy; b) an explanation of what the 	Parts (d), (e) and (f) – Agreed. The ACT Gambling and Racing Commission annual report already includes amounts collected for the Problem Gambling Assistance Fund and details of expenditure from the Fund. The report also details research projects initiated and completed by the Commission.	Complete

Select Committee on Estimates 2017-18
Inquiry into Appropriation Bill 2017-2018 and Appropriation (Office of The Legislative Assembly) Bill 2017-2018
Government Response Tabled 1 August 2017

Recommendation No. and Summary	Action	Status
<p>Problem Gambling Assistance Levy was spent on; and</p> <p>c) a list of reports commissioned by the Gambling and Racing Commission, the amount paid for each report and the recipient of the payment.</p>		

https://www.parliament.act.gov.au/_data/assets/pdf_file/0003/1090164/Estimates-2017-18-FINAL-REPORT.pdf

Table 13: Summary of Report on Annual and Financial Reports 2016-17

Committee	Report Title	Date Tabled
Standing Committee on Justice and Community Safety	Report on Annual and Financial Reports 2016-2017	22 March 2018

<https://www.parliament.act.gov.au/in-committees/standing-committees-current-assembly/standing-committee-on-justice-and-community-safety/inquiry-into-annual-and-financial-report-2016-2017#tab-1123464-4>

Auditor-General

The Commission's Financial Report and Statement of Performance are independently audited by the ACT Auditor-General. The Auditor-General provided an unqualified audit opinion on the Commission's 2017-18 Financial Report and Statement of Performance with no significant matters identified during the process (see section C.2 & C.6).

The Auditor-General conducted the following audits with impact on the Gambling and Racing Commission:

Table 14: Summary of Auditor-General report recommendations relevant to the Commission from 2017-18

ACT Auditor-General's Report ACT Government Strategic and Accountability Indicators Report No. 2/2018 Government Response Tabled 5 June 2018		
Recommendation No. and Summary	Action	Status
Recommendation 2 Improve Strategic Indicators Strategic indicators should be improved by: a) the Territory Banking Account, Chief Minister, Treasury and Economic Development Directorate, Community Services Directorate, Environment, Planning and Sustainable Development Directorate, Health Directorate, Housing ACT, Justice and Community Safety Directorate, Lifetime Care and Support, Superannuation Provision Account, ACT Gambling and Racing Commission and Canberra Institute of Technology removing or amending strategic indicators so they fully meet the criterion of <i>Representative</i> . Territory entities whose strategic indicators cannot meet the strategic criterion of <i>Representative</i> because they relate to whole of government functions should explain how indicators support achievement of Government priorities through commentary; c) the Environment, Planning and Sustainable Development Directorate, Cultural Facilities	Government response: Agreed in principle. Existing indicators will be reviewed in line with updated guidance material once it has been released. Amended indicators will be phased in from the 2019-20 Budget.	Ongoing - awaiting updated guidance material to be developed by CMTEDD. Once received, indicators will be assessed against the updated criteria from the 2019-20 Budget.

ACT Auditor-General's Report
ACT Government Strategic and Accountability Indicators
Report No. 2/2018
Government Response Tabled 5 June 2018

Recommendation No. and Summary	Action	Status
<p>Corporation, Territory Banking Account, Chief Minister, Treasury and Economic Development Directorate, Transport Canberra and City Services, ACT Gambling and Racing Commission and ACT Legal Aid Commission amending strategic indicators so they meet the <i>Quantifiable</i> criterion. Territory entities whose strategic indicators cannot meet the strategic criterion of <i>Quantifiable</i> through supporting quantitative data should use qualitative data that can be assessed and is explained through commentary</p>		
<p>Recommendation 3</p> <p>Improve Accountability Indicators by:</p> <p>b) the ACT Local Hospital Network, Chief Minister, Treasury and Economic Development Directorate, Community Services Directorate, Education Directorate, Environment, Planning and Sustainable Development Directorate, Health Directorate, Transport Canberra and City Services, Compulsory Third Party Insurance, Gambling and Racing Commission, ACT Insurance Authority and the Public Trustee and Guardian amending accountability indicators so they meet the criterion of <i>Clarity</i>.</p>	<p>Agreed in principle.</p> <p>Existing indicators will be reviewed in line with updated guidance material once it has been released. Amended indicators will be phased in from the 2019-20 Budget.</p>	<p>Ongoing - awaiting updated guidance material to be developed by CMTEDD. Once received, indicators will be assessed against the updated criteria from the 2019-20 Budget.</p>

ACT Auditor-General's Report
ACT Government Strategic and Accountability Indicators
Report No. 2/2018
Government Response Tabled 5 June 2018

Recommendation No. and Summary	Action	Status
<p>Recommendation 4</p> <p>Procedure for the review, selection and approval of strategic and accountability indicators</p> <p>All Territory entities should document their procedure for the review, selection and approval of strategic and accountability indicators (the Transport Canberra and City Services Directorate and ACTION documented procedures could be used as a guide). The procedures should include:</p> <p>a) specifying a time (e.g. three years or when circumstances change) for reviewing and assessing all accountability indicators against performance indicators used by government agencies for similar services in other jurisdictions; and</p> <p>b) engaging with other Territory entities to identify better practices used in the Territory.</p>	<p>Agreed.</p> <p>The updated guidance material will include a requirement that entities document their procedures for the review, selection and approval of relevant indicators.</p> <p>Entities will be required to specify a timeframe for the review and assessment of indicators, and appropriate procedures for engagement with other entities on identification of better practices.</p>	<p>Ongoing - awaiting updated guidance material to be developed by CMTEDD.</p>
<p>Recommendation 5</p> <p>Interim Arrangements</p> <p>When Recommendation 1 a) to e) are complete, all Territory Entities should use the revised criteria as the basis for assessing the suitability of their Strategic and Accountability indicators.</p>	<p>Agreed.</p> <p>The updated guidance material will provide clear direction for entities in reviewing, selecting and approving relevant indicators. Entities will be required to make full use of the assessment criteria defined within the updated guidance material.</p>	<p>Ongoing - awaiting updated guidance material to be developed by CMTEDD.</p>

http://www.audit.act.gov.au/_data/assets/pdf_file/0010/1184896/Report-No-2-of-2018-ACT-Government-strategic-and-accountability-indicators.pdf

**ACT Auditor-General's Report
ACT Clubs' Community Contributions
Report No. 5/2018**

Recommendation No. and Summary	Action	Status
<p>Recommendation 2</p> <p>INTERPRETATIVE GUIDANCE The ACT Gambling and Racing Commission should provide guidance on how they interpret and approve community contributions with respect to objectives (when defined by the ACT Government) and requirements in the <i>Gaming Machine Act 2004</i> and <i>Gaming Machine Regulation 2004</i>.</p>	<p>A Government Response is due to the ACT Legislative Assembly by 27 August 2018.</p>	<p>An update will be provided in the 2018-19 Annual Report.</p>
<p>Recommendation 3</p> <p>GUIDANCE MATERIALS (POLICIES AND PROCEDURES) Access Canberra, in consultation with the ACT Gambling and Racing Commission, should:</p> <p>a) Review and update the policies and procedures it currently uses to regulate clubs' community contributions; and b) Implement a regular review process for the policies and procedures.</p>	<p>A Government Response is due to the ACT Legislative Assembly by 27 August 2018.</p>	<p>An update will be provided in the 2018-19 Annual Report.</p>
<p>Recommendation 4</p> <p>RECORDS OF BENEFICIARIES AND PURPOSE Access Canberra should request, where currently not provided by clubs, further information regarding the beneficiary and purpose of a community contribution, before recommending its approval to the ACT Gambling and Racing Commission.</p>	<p>A Government Response is due to the ACT Legislative Assembly by 27 August 2018.</p>	<p>An update will be provided in the 2018-19 Annual Report.</p>
<p>Recommendation 5</p> <p>RISK-BASED APPROACH TO REGULATION The ACT Gambling and Racing Commission, in cooperation with Access Canberra, should fully document its risk-based approach to the regulation of</p>	<p>A Government Response is due to the ACT Legislative Assembly by 27 August 2018.</p>	<p>An update will be provided in the 2018-19 Annual Report.</p>

**ACT Auditor-General's Report
ACT Clubs' Community Contributions
Report No. 5/2018**

Recommendation No. and Summary	Action	Status
clubs' community contributions, including decision-making associated with the percentage of clubs' contributions to be subjected to compliance checking.		
<p>Recommendation 6</p> <p>MEMORANDUM OF UNDERSTANDING BETWEEN ACT GAMBLING AND RACING COMMISSION AND ACCESS CANBERRA</p> <p>Access Canberra, in conjunction with the ACT Gambling and Racing Commission, should:</p> <p>a. Prepare an annual work plan to support the Memorandum of Understanding (MOU), which outlines services to be delivered according to a budget and timeline;</p> <p>b. Revise the MOU to clearly state procedures for the management of the potential conflict of interest of the Chief Executive Officer of the ACT Gambling and Racing Commission; and</p> <p>c. Revise the MOU to include appropriate and practical dispute resolution measures.</p>	<p>A Government Response is due to the ACT Legislative Assembly by 27 August 2018.</p>	<p>An update will be provided in the 2018-19 Annual Report.</p>

http://www.audit.act.gov.au/data/assets/pdf_file/0003/1193610/Report-No-5-of-2018-ACT-clubs-community-contributions.pdf

ACT Ombudsman

There were no reviews initiated by the ACT Ombudsman relevant to the Commission in 2017-18.

ACT Civil and Administrative Tribunal

Many of the Commission's decisions under the gaming laws, such as taking disciplinary action against a licensee or refusing to approve an application for a licence or equipment, are decisions reviewable by the ACT Civil and Administrative Tribunal (ACAT).

There was one matter that was referred to ACAT during the 2017-18 reporting period- the Raiders Belconnen appeal.

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 1915.

B.4 Risk Management

The Commission adopts the Chief Minister, Treasury and Economic Development Directorate's Risk Management Framework and maintains its own Risk Register. The Commission's Risk Register has been developed in accordance with the relevant standard (*AS/NZS ISO 31000:2009*) to include organisational risks, sources, impacts, responsibilities, treatments and monitoring/review processes. The Commission's Risk Register is reviewed and updated in line with Commission's Internal Audit and Risk Committee meetings. The Commission's Internal Audit and Risk Committee is responsible for monitoring and reporting on the implementation of risk mitigation strategies at each of its meetings.

The Commission's Statement of Intent identifies the risks and associated mitigation strategies in relation to the Commission meeting its corporate and business objectives. These risks are incorporated in the Commission's Risk Register.

The Commission has agreed to apply a risk-based compliance approach to ensure that resources are targeted to where the risks of harm, unsafe practices or misconduct are the greatest, thereby strengthening capacity to take action where the community, workers and the environment are most at risk.

The three fundamental steps used to ensure compliance are to engage, educate and enforce with the optimal outcome being voluntary compliance. Education has a key role to play in maximising compliance by proactively ensuring licensees are aware of legislated requirements. Enforcement action will be applied where conduct is in breach of legislation and is likely to cause harm.

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 1915.

ACT Insurance Authority, Chief Minister, Treasury and Economic Development Directorate
Telephone: (02) 6207 0302.

B.5 Internal Audit

The Commission has established an Internal Audit and Risk Committee (the Committee) as part of its responsibilities in relation to the corporate governance of the Commission. The objective of the Committee is to provide independent assurance to the Board on the Commission's risk, control and compliance framework, and its financial statement responsibilities.

The Internal Audit and Risk Committee met on two occasions in 2017-18.

Table 15: Summary of meetings attended by members and observers during 2017-18

Name of Member	Position	Meetings Attended
Alice Tay	Chair	2
Paul Baxter	Member	2
Ron Leonard	Senior Manager/Observer	2

The Committee Charter has been modelled on the Australian National Audit Office (ANAO) Better Practice Guides. The Board endorses the charter at its meetings and will continue to review them.

The Commission has an Internal Audit Program which has been developed after identifying areas of potential operational and financial risk. At its August 2017 meeting, members reviewed the Committee's Program of Works 2017-18.

The Commission, can utilise the ACT Government's Whole-of-Government Internal Audit Services Panel to select contractors to conduct in-depth internal audits in areas that includes performance, compliance and information technology.

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 1915.

B.6 Fraud Prevention

The Commission is committed to minimising the incidence of fraud and corruption through the development, implementation and regular review of a range of fraud prevention and detection strategies.

As required under the ACT Public Service (ACTPS) Integrity Policy, the Commission has in place a Fraud and Corruption Prevention Plan and a Fraud Risk Register. The objective of the Fraud and Corruption Prevention Plan is to provide the basis of the Commission's actions to control fraud and to identify those key activities performed by the Commission that require the implementation of additional controls to reduce the likelihood of fraud occurring. With the integration of Commission staff into Access Canberra, the Fraud and Corruption Prevention Plan of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) now apply to all staff. Fraud awareness and ethics training is available to all CMTEDD staff and is part of the induction process for all new CMTEDD employees.

There were no reports or allegations of fraud or corruption received and investigated by the Commission during this reporting period.

Further information may be obtained from:

Workforce Capability and Governance Division, Chief Minister, Treasury and Economic Development Directorate

Telephone: (02) 6207 6502; or

Email: psm@act.gov.au

B.7 Work Health and Safety

As of 1 July 2016, as a result of Commission staff being integrated into Access Canberra/Chief Minister, Treasury and Economic Development Directorate, workplace health and safety requirements for those staff were also transferred.

Consequently, Work Health and Safety information for the ACT Gambling and Racing Commission can be sourced from the 2017-18 annual report of the Chief Minister, Treasury and Economic Development Directorate.

Further information may be obtained from:

Workplace Injury Performance, Workplace Safety and Industrial Relations, Chief Minister, Treasury and Economic Development Directorate

Telephone: (02) 6207 8794

B.8 Human Resources Management

As of 1 July 2016 as a result of Commission staff being integrated into Access Canberra/Chief Minister, Treasury and Economic Development Directorate, human resource management requirements for those staff were also transferred.

Consequently, Human Resources Management information for the ACT Gambling and Racing Commission can be sourced from the 2017-18 annual report of the Chief Minister, Treasury and Economic Development Directorate.

Further information may be obtained from:

Workforce Capability and Governance Division, Chief Minister, Treasury and Economic Development Directorate Telephone: (02) 6207 6502 or psm@act.gov.au

B.9 Ecologically Sustainable Development

The ACT Government is committed to sustainable development of the ACT and encourages agencies to embed sustainability in their decision-making processes. The commitment was translated into a legislative responsibility for agencies to develop policies and programs to promote Ecologically Sustainable Development (ESD) through the *Climate Change and Greenhouse Gas Reduction Act 2010* and the *Environmental Protection Act 1997* (the *Environment Protection Act*).

Under Section 2 of the *Environment Protection Act*, ecologically sustainable development is defined as the effective integration of economic, social and environmental considerations in decision-making processes.

From 1 July 2016, Commission staff were integrated into Access Canberra/Chief Minister, Treasury and Economic Development Directorate and as a result, the Commission had no staff, accommodation or motor vehicles in 2017-18.

Consequently, Ecologically Sustainable Development information for the ACT Gambling and Racing Commission can be sourced from the 2017-18 annual report of the Chief Minister, Treasury and Economic Development Directorate.

Further information may be obtained from:

Office of the Commissioner for Sustainability and the Environment
Telephone: (02) 6207 2626

SECTION C: FINANCIAL MANAGEMENT REPORTING

C.1 Financial Management Analysis

Management Discussion and Analysis for the ACT Gambling and Racing Commission for the Financial Year Ended 30 June 2018

General Overview

Objectives

The objectives of the ACT Gambling and Racing Commission are to:

- effectively regulate gambling and racing activity for statutory compliance;
- ensure compliance with statutory payments of taxes and fees;
- keep informed about problem gambling issues and harm minimisation strategies;
- undertake measures designed to reduce the negative impact of gambling harm;
- review gaming legislation and policies and implement changes;
- keep informed about developments in gaming and regulatory practices; and
- effectively manage its resources.

Financial Performance

The following financial information is based on audited Financial Statements for 2016-17 and 2017-18 and the forward estimates contained in the 2017-18 Statement of Intent.

In December 2014 it was announced that a number of regulatory functions across the ACT Government, including gambling regulation, would be brought together to create Access Canberra. In July 2017 an agreement between Access Canberra and the Commission on “*the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT*” (the Agreement) was executed.

The Agreement states that ‘the GRC will commission work from Access Canberra to fulfil its obligations under the *Gambling and Racing Control Act 1999* (the Act), and satisfy its objectives outlined in the 2014-2018 Strategic Plan and the 2017-2018 Statement of Intent’.

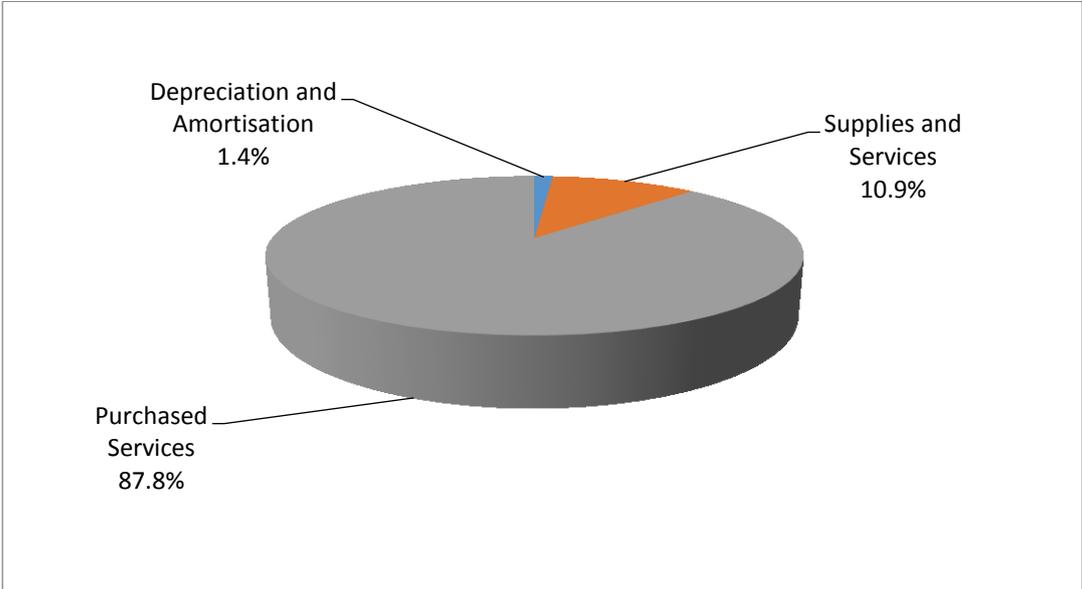
Total Expenditure

1. Components of Expenditure

Figure 1 indicates the components of the Commission’s expenditure for 2017-18 not including taxation revenue transferred to Government. As the Commission entered into an agreement with Access Canberra for the provision of services for the administration of the gaming laws including the control, supervision and regulation of gaming and racing in the ACT, the main expenditure items during the year was purchased services and supplies and services expenses. Supplies and services expenses includes problem gambling assistance fund expenses which are used to undertake projects aimed to reduce the negative impact of problem gambling.

The largest component of expenditure is purchased services which represents **87.8 per cent** of ordinary activities or **\$5.532 million**.

Figure 1 - Components of Expenditure in 2017-18



2. Comparison to Budget

Total expenditure, not including taxation revenue transferred to Government, of **\$6.304 million** was slightly higher than the 2017-18 budget of **\$6.019 million**.

3. Comparison to 2016-17 Actual Expenditure

Total expenditure, not including taxation revenue transferred to Government, was **\$0.411 million**, or **7.0 per cent**, higher than the 2016-17 actual result. This is mainly due to an increase in purchased services (**\$0.044 million**) as a result of indexation and supplies and services (**\$0.350 million**) from the Commission undertaking projects in addition to the administration of gaming laws, and the control, supervision and regulation of gaming and racing in the ACT. These additional projects were also undertaken by Access Canberra, on behalf of the Commission, include *‘Modelling the social impact of Community Contributions’*; *‘Managing the design and implementation of the Public Health harm prevention strategy’*; and *‘Additional activities undertaken during the Gambling Harm Awareness Week’*.

4. Future Trends

Expenditure is budgeted to decrease in 2018-19 by **\$0.144 million** this is mainly due to a decrease in supplies and services (**\$0.194 million**) as a result of fewer additional projects planned for 2018-19 and reduced amortisation (**\$0.070 million**). These decreases are expected to be partially off-set by higher purchased services as a result of indexation for 2018-19.

Total Income

Gambling revenue incorporates the following categories:

- gaming machine taxes, levies and fees;
- interstate lotteries taxes (New South Wales);
- minor lottery fees (promotions and raffles);
- casino tax and fees;

- Totalisator licence fee;
- race bookmakers' licence fees; and
- sports bookmakers' turnover tax and licence fees.

The amount of gambling revenue received by the Commission depends directly on the level of gambling undertaken in the Territory. The Commission does not have the function of promoting or developing gambling activity in the Territory.

1. Components of Income

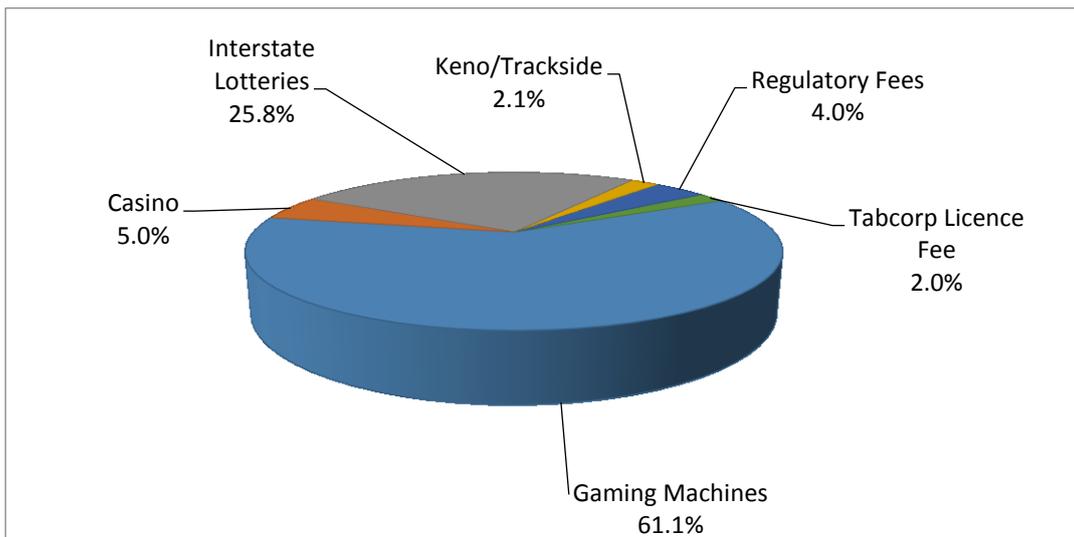
Although the Commission collects and verifies revenue from gambling taxes, levies, fees and fines, all such revenue is immediately transferred to the Territory Banking Account through daily sweeps of the Commission's Taxation Account. Taxes and Levies are received in accordance with the respective legislation or agreements held with the Commission and are based on gross profit or the level of gambling activity depending on the requirements for each product. Regulatory Fees are paid in relation to gaming operations such as licensing applications, raffle and trade promotion permit applications and general gaming and racing approvals.

The revenue that the Commission uses to fund its operating activities is appropriated through Controlled Recurrent Payments and interest from its bank accounts. In 2017-18, appropriation payments from Government totalled **\$4.913 million**.

The Commission also receives a Problem Gambling Assistance Fund levy from gaming machine licensees as well as voluntary contributions from Tabcorp ACT and Casino Canberra. These funds are used to provide problem gambling support services to the ACT community as well as other projects to reduce the negative impact of problem gambling. In 2017-18, the total amount received by the Commission in the Problem Gambling Assistance Fund was **\$1.352 million**.

Figure 2 below indicates that for the financial year ended 30 June 2018 the Commission received **\$32.482 million** or **61.1 per cent** of its total gambling revenue from gaming machine taxation.

Figure 2 - Components of Gambling Income in 2017-18



2. Comparison to Budget

Revenue

For the year ending 30 June 2018 gambling revenue was **\$53.204 million** which was **\$1.009 million** lower than the 2017-18 budget of **\$54.213 million**. This was mainly due to lower:

- interstate lotteries revenue (**\$1.447 million**) from lower than expected ticket sales; and
- gaming machine taxation (**\$0.848 million**) due to a change in legislation that allows for small and medium licensees to obtain a 50 per cent rebate on taxation payable and lower gambling activity in 2017-18.

These decreases were partially off-set by higher casino taxation receipts (**\$0.386 million**) and higher Keno and Trackside revenue (**\$0.947 million**) due to higher gambling activity in this area.

3. Comparison to 2016-17 Actual Income

Revenue

Gambling revenue in 2017-18 was **\$0.094 million**, or **0.2 per cent**, higher than the 2016-17 actual result. This was mainly due to increases in:

- keno/trackside (**\$0.761 million**) as a result of higher gambling activity;
- interstate lotteries revenue (**\$0.210 million**) due to an increase in ticket sales; and
- regulatory fees (**\$0.153 million**).

The increases were partially off-set by decreases in: gaming machine taxation (**\$0.959 million**) due to a change in legislation that allows for small and medium licensees to obtain a 50 per cent rebate on taxation payable and lower gambling activity; and casino taxation receipts (**\$0.090 million**) as a result of lower gambling activity.

4. Future Trends

Based on current revenue projections total gambling revenue for 2018-19 is budgeted to increase by **\$2.194 million** compared to the 2017-18 actual. This is mainly due to expected increases in interstate Lotteries (**\$1.789 million**) and gaming machine taxation receipts (**\$1.557 million**). The increase is expected to be partially offset by decreases in casino taxation receipts (**\$0.334 million**) and Keno/trackside (**\$0.943 million**).

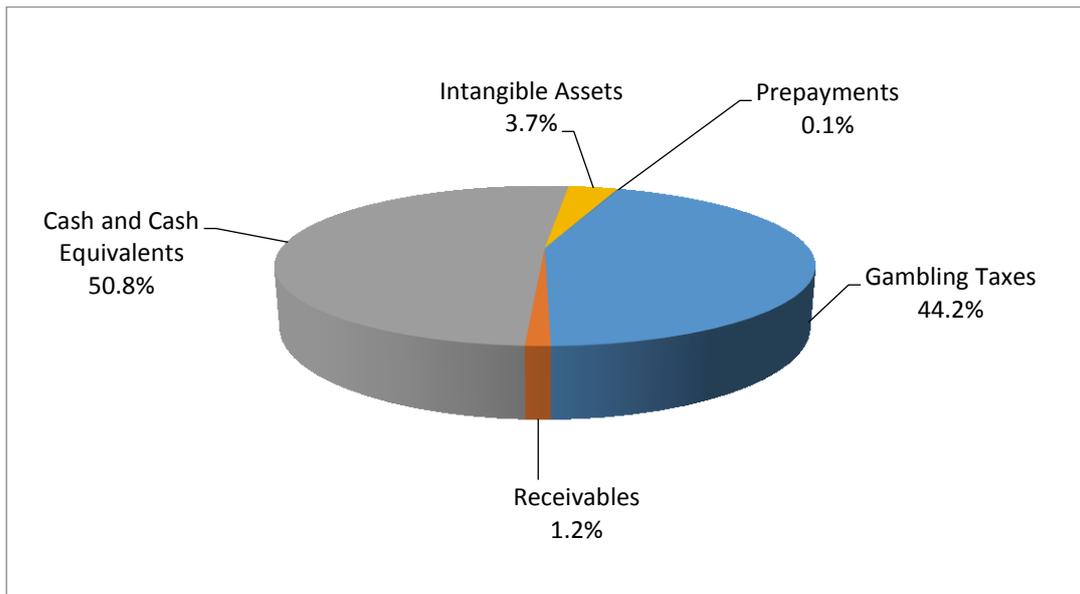
Commission's Financial Position

Total Assets

1. Components of Total Assets

Figure 3 below indicates that for the financial year ended 30 June 2018, **44.2 per cent** of the Commission's assets are accrued gambling tax revenue and **50.8 per cent** are cash and cash equivalents.

Figure 3 – Total Assets as at 30 June 2018



2. Comparison to Budget

The total asset position as at 30 June 2018 of **\$9.542 million** is **\$0.321 million** higher than the 2017-18 budget of **\$9.221 million**. The increase is mainly due to on higher cash and cash equivalents (**\$0.203 million**) due to positive cash flows generated from operating activities and higher intangible assets (**\$0.102 million**) due to enhancements to the gaming machine database to comply with legislative requirements.

3. Comparison to 2016-17 Actuals

The Commission's total asset position increased **\$0.519 million** from 2016-17 actual result of **\$9.023 million** mainly due to an increase in:

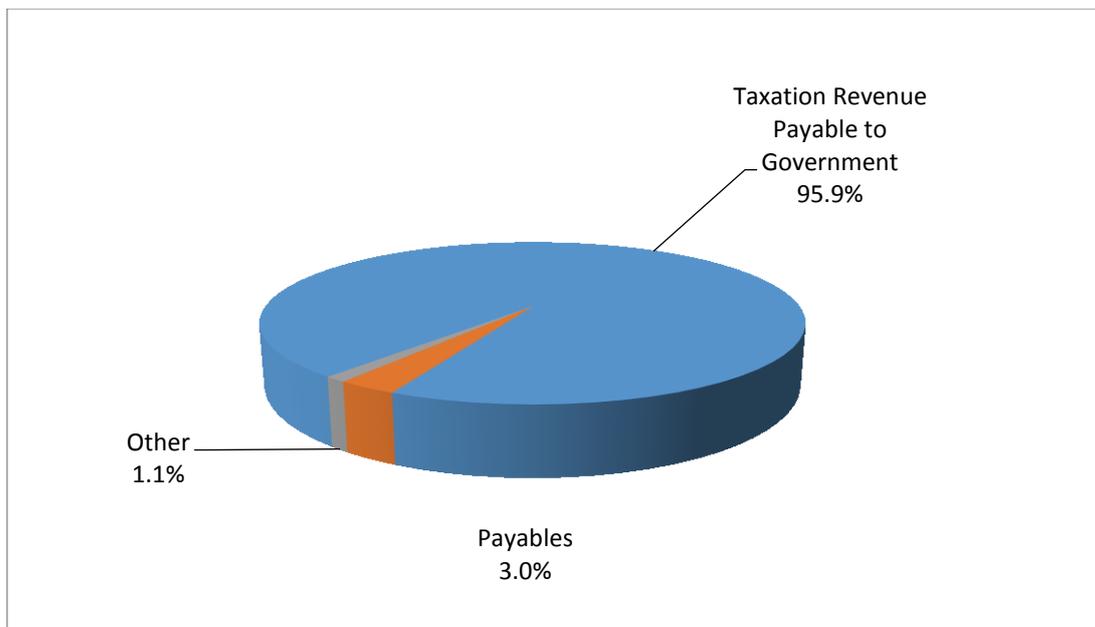
- cash and cash equivalents (**\$0.149 million**) as a result of positive cash flows generated from operating activities; and
- gambling taxes receivables (**\$0.384 million**) mainly due to increased gaming machine taxation for June 2018 paid in July 2018 as a result of a change in legislation that allows small and medium licensees to pay their taxation quarterly instead of monthly.

Total Liabilities

1. Components of Total Liabilities

Figure 4 below indicates that the majority of the Commission's liabilities as at 30 June 2018 relate to taxation revenue payable to Government (95.9 per cent).

Figure 4 – Total Liabilities as at 30 June 2018



2. Comparison to Budget

The Commission's liabilities for the year ended 30 June 2018 of **\$4.378 million** is **\$0.259 million** higher than the 2017-18 budget of **\$4.119 million**. This is mainly due to higher taxation revenue payable to Government (**\$0.278 million**) as a result of higher than expected taxation revenue in June 2018.

3. Comparison to 2016-17 Actuals

Total liabilities increased **\$0.362 million** from 2016-17 actual results of **\$4.016 million** mainly due to higher taxation revenue payable to Government (**\$0.361 million**) as a result of higher than expected taxation revenue in June 2018. All Taxes and Levies received by the Commission are transferred on a daily basis to the ACT Government.

Liquidity

'Liquidity' is the ability of the Commission to satisfy its short-term debts as they fall due. A common indicator for liquidity is the current ratio which compares the ability to fund short-term liabilities from short-term assets. A ratio of less than 1-to-1 may indicate a reliance on further funding from the ACT Government to meet short-term debts. *Table 1* indicates the liquidity position of the Commission.

Table 16: Current Ratio

Description	Prior Year Actual 2016-17 \$'000s	Current Year Budget 2017-18 \$'000s	Current Year Actual 2017-18 \$'000s	Forward Year Budget 2018-19 \$'000s	Forward Year Budget 2019-20 \$'000s	Forward Year Budget 2020-21 \$'000s
Current Assets	8,658	8,961	9,190	8,916	9,109	9,302
Current Liabilities	4,016	4,119	4,378	3,901	3,904	3,907
Current Ratio	2.16:1	2.18:1	2.10:1	2.29:1	2.33:1	2.38:1

The Commission's current ratio for the financial year ended 30 June 2018 is **2.10 to 1** which is lower than the budgeted current ratio of **2.18 to 1**. The lower ratio reflects increased taxation revenue payable to Government (**\$0.278 million**) as a result of higher than expected taxation revenue in June 2018.

The Commission expects a strong level of liquidity to be maintained in the forward years.

C.2 Financial Statements



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

Sensitive: Auditor-General

A18/23

Mr Paul Baxter
Chair
Governing Board
ACT Gambling and Racing Commission
Level 3-5, Cosmopolitan Building
21 Bowes Place
Woden ACT 2606

Dear Mr Baxter

**AUDIT REPORT – ACT GAMBLING AND RACING COMMISSION
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

The ACT Audit Office has completed the audit of the financial statements of the ACT Gambling and Racing Commission for the year ended 30 June 2018.

Attached is the audited financial statements and an unqualified audit report.

I have provided a copy of the audited financial statements and audit report to the Attorney-General, Mr Gordon Ramsay MLA.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T Larnach'.

Tim Larnach
Acting Director, Financial Audits
24 August 2018

c.c. Mr David Snowden, Chief Executive Officer
Ms Margaret McKay, Deputy Director
Mr Ron Leonard, Senior Manager

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

INDEPENDENT AUDIT REPORT**ACT GAMBLING AND RACING COMMISSION****To the Members of the ACT Legislative Assembly****Audit opinion**

I am providing an **unqualified audit opinion** on the financial statements of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2018. The financial statements comprise the operating statement, balance sheet, statement of changes in equity, cash flow statement, statement of appropriation and accompanying notes.

In my opinion, the financial statements:

- (i) are presented in accordance with the *Financial Management Act 1996*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia; and
- (ii) present fairly the financial position of the Commission and results of its operations and cash flows.

Basis for the audit opinion

The audit was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the audit to provide a basis for the audit opinion.

Responsibility for preparing and fairly presenting the financial statements

The Governing Board of the Commission is responsible for:

- preparing and fairly presenting the financial statements in accordance with the *Financial Management Act 1996* and relevant Australian Accounting Standards;
- determining the internal controls necessary for the preparation and fair presentation of the financial statements so that they are free from material misstatements, whether due to error or fraud; and
- assessing the ability of the Commission to continue as a going concern and disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting in preparing the financial statements.

Responsibility for the audit of the financial statements

Under the *Financial Management Act 1996*, the Auditor-General is responsible for issuing an audit report that includes an independent audit opinion on the financial statements of the Commission.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud and implemented procedures to address these risks so that sufficient evidence was obtained to form an audit opinion. The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls;
- obtained an understanding of internal controls to design audit procedures for forming an audit opinion;
- evaluated accounting policies and estimates used to prepare the financial statements and disclosures made in the financial statements;
- evaluated the overall presentation and content of the financial statements, including whether they present the underlying transactions and events in a manner that achieves fair presentation;
- reported the scope and timing of the audit and any significant deficiencies in internal controls identified during the audit to the Governing Board of the Commission; and
- assessed the going concern* basis of accounting used in the preparation of the financial statements.

(*Where the auditor concludes that a material uncertainty exists which cast significant doubt on the appropriateness of using the going concern basis of accounting, the auditor is required to draw attention in the audit report to the relevant disclosures in the financial statements or, if such disclosures are inadequate, the audit opinion is to be modified. The auditor's conclusions on the going concern basis of accounting are based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.)

Limitations on the scope of the audit

An audit provides a high level of assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. However, an audit cannot provide a guarantee that no material misstatements exist due to the use of selective testing, limitations of internal control, persuasive rather than conclusive nature of audit evidence and use of professional judgement in gathering and evaluating evidence.

An audit does not provide assurance on the:

- reasonableness of budget information included in the financial statements;
- prudence of decisions made by the Commission;
- adequacy of controls implemented by the Commission; or
- integrity of the audited financial statements presented electronically or information hyperlinked to or from the financial statements. Assurance can only be provided for the printed copy of the audited financial statements.



Tim Larnach
Acting Director, Financial Audits
24 August 2018



ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2018

Statement of Responsibility

In my opinion, the Financial Statements are in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflect the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2018 and the financial position of the ACT Gambling and Racing Commission on that date.

A handwritten signature in black ink, appearing to read "Paul Baxter".

Paul Baxter
Chairperson
ACT Gambling and Racing Commission
15 August 2018



Gambling & Racing Commission
GPO Box 158, Canberra City ACT 2601

 GRCBoard@act.gov.au
 gamblingandracing.act.gov.au





ACT Gambling and Racing Commission Financial Statements For the Year Ended 30 June 2018

Statement by the Chief Executive Officer

In my opinion, the Financial Statements have been prepared in accordance with the Australian Accounting Standards, and are in agreement with the ACT Gambling and Racing Commission's accounts and records and fairly reflect the financial operations of the ACT Gambling and Racing Commission for the year ended 30 June 2018 and the financial position of the ACT Gambling and Racing Commission on that date.

A handwritten signature in black ink, appearing to read "David Snowden".

David Snowden
Chief Executive Officer
ACT Gambling and Racing Commission
15 August 2018



Gambling & Racing Commission
GPO Box 158, Canberra City ACT 2601

 GRCBoard@act.gov.au
 gamblingandracing.act.gov.au

ACT GAMBLING AND RACING COMMISSION

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2018**

ACT Gambling and Racing Commission
Operating Statement
For the Year Ended 30 June 2018

	Note No.	Actual 2018 \$'000	Original Budget 2018 \$'000	Actual 2017 \$'000
Income				
<i>Revenue</i>				
Controlled Recurrent Payments	3	4,913	4,913	4,853
Taxation and Levies Collected on Behalf of the Territory	4	50,044	51,006	50,122
Regulatory Fees	5	3,160	3,207	2,988
Interest		117	104	146
Resources Received Free of Charge		74	25	-
Other Revenue	6	1,352	1,142	1,108
Total Revenue		59,660	60,397	59,217
<i>Gains</i>				
Other Gains		4	-	1
Total Gains		4	-	1
Total Income		59,664	60,397	59,218
Expenses				
Employee Expenses		-	127	-
Superannuation Expenses		-	13	-
Supplies and Services	7	685	318	335
Purchased Services	8	5,532	5,532	5,488
Depreciation and Amortisation		87	29	70
Taxation and Levies Revenue Transferred to Government		53,203	54,213	53,111
Total Expenses		59,507	60,232	59,004
Operating Surplus		157	165	214

The above Operating Statement should be read in conjunction with the accompanying notes.

- The ACT Gambling and Racing Commission has only one output class, and as such, the above Operating Statement is also the Commission's Operating Statement for the Gambling Regulation and Harm Minimisation Output Class.

**ACT Gambling and Racing Commission
Balance Sheet
As at 30 June 2018**

	Note No.	Actual 2018 \$'000	Original Budget 2018 \$'000	Actual 2017 \$'000
Current Assets				
Cash and Cash Equivalents	10	4,851	4,777	4,702
Receivables	11	4,330	4,175	3,947
Prepayments		9	9	9
Total Current Assets		9,190	8,961	8,658
Non-Current Assets				
Plant and Equipment		-	10	-
Intangible Assets	12	352	250	241
Capital Works in Progress	13	-	-	124
Total Non-Current Assets		352	260	365
Total Assets		9,542	9,221	9,023
Current Liabilities				
Payables	14	4,329	4,036	3,965
Employee Benefits		-	48	-
Other Liabilities		49	35	51
Total Current Liabilities		4,378	4,119	4,016
Total Liabilities		4,378	4,119	4,016
Net Assets		5,164	5,102	5,007
Equity				
Accumulated Funds		5,164	5,102	5,007
Total Equity		5,164	5,102	5,007

The above Balance Sheet should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission
Statement of Changes in Equity
For the Year Ended 30 June 2018**

For the Year Ended 30 June 2018

	Accumulated Funds Actual 2018 \$'000	Total Equity Actual 2018 \$'000	Original Budget 2018 \$'000
Balance at 1 July 2017	5,007	5,007	4,937
Comprehensive Income			
Operating Surplus	157	157	165
Total Comprehensive Income	157	157	165
Balance at 30 June 2018	5,164	5,164	5,102

For the Year Ended 30 June 2017

	Accumulated Funds Actual 2017 \$'000	Total Equity Actual 2017 \$'000
Balance at 1 July 2016	4,793	4,793
Comprehensive Income		
Operating Surplus	214	214
Total Comprehensive Income	214	214
Balance at 30 June 2017	5,007	5,007

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission
Cash Flow Statement
For the Year Ended 30 June 2018**

	Note No.	Actual 2018 \$'000	Original Budget 2018 \$'000	Actual 2017 \$'000
Cash Flows from Operating Activities				
Receipts				
Controlled Recurrent Payments		4,913	4,913	4,853
Taxation and Levies Collected on Behalf of the Territory		49,661	51,006	51,498
Regulatory Fees		3,159	3,207	2,988
Other Receipts		1,593	1,365	1,744
Total Receipts from Operating Activities		59,326	60,491	61,083
Payments				
Employee		-	127	-
Superannuation		-	13	-
Supplies and Services		482	295	656
Purchased Services		5,532	5,532	5,385
Taxation and Levies Revenue Transferred to Government		52,843	54,213	54,463
Goods and Services Tax Paid to Suppliers		122	119	124
Total Payments from Operating Activities		58,979	60,299	60,628
Net Cash Inflows from Operating Activities	19	347	192	455
Cash Flows from Investing Activities				
Payments				
Payments for Intangibles		198	10	-
Total Payments from Investing Activities		198	10	-
Net Cash (Outflows) from Investing Activities		(198)	(10)	-
Cash Flows from Financing Activities				
Payments				
Payment of Transferred Cash Balances		-	-	863
Total Payment from Financing Activities		-	-	863
Net Cash (Outflows) from Financing Activities		-	-	(863)
Net Increase/(Decrease) in Cash and Cash Equivalents				
		149	474	(408)
Cash and Cash Equivalents at the Beginning of the Reporting Period		4,702	13,999	5,110
Cash and Cash Equivalents at the End of the Reporting Period	19	4,851	14,473	4,702

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**ACT Gambling and Racing Commission
Controlled Statement of Appropriation
For the Year Ended 30 June 2018**

	Original Budget 2018 \$'000	Total Appropriated 2018 \$'000	Appropriation Drawn 2018 \$'000	Appropriation Drawn 2017 \$'000
Controlled				
Controlled Recurrent Payments	4,913	4,913	4,913	4,853
Total Controlled Appropriation	4,913	4,913	4,913	4,853

The above Statement of Appropriation should be read in conjunction with the accompanying notes.

Column Heading Explanations

The *Original Budget* column shows the amounts that appear in the Cash Flow Statement in the ACT Gambling and Racing Commission's Statement of Intent. This amount also appears in the Cash Flow Statement.

The *Total Appropriated* column is inclusive of all appropriation variations occurring after the Original Budget.

The *Appropriation Drawn* is the total amount of appropriation received by the ACT Gambling and Racing Commission during the year. This amount also appears in the Cash Flow Statement.

**ACT Gambling and Racing Commission
Note Index of the Financial Statements
For the Year Ended 30 June 2018**

Note	1	Objectives of the ACT Gambling and Racing Commission
Note	2	Significant Accounting Policies
		Appendix A – Basis of Preparation of the Financial Statements
		Appendix B – Significant Accounting Policies
		Appendix C - Impact of Accounting Standards Issued But Yet to be Applied

Income Notes

Note	3	Controlled Recurrent Payments
Note	4	Taxation and Levies Collected on Behalf of the Territory
Note	5	Regulatory Fees
Note	6	Other Revenue

Expense Notes

Note	7	Supplies and Services
Note	8	Purchased Services
Note	9	Auditor's Remuneration

Asset Notes

Note	10	Cash and Cash Equivalents
Note	11	Receivables
Note	12	Intangible Assets
Note	13	Capital Works in Progress

Liability Notes

Note	14	Payables
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Other Notes

Note	15	Financial Instruments
Note	16	Related Party Disclosures
Note	17	Commitments
Note	18	Contingent Liabilities
Note	19	Cash Flow Reconciliation
Note	20	Budgetary Reporting

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 1. Objectives of the ACT Gambling and Racing Commission

The primary objectives of the ACT Gambling and Racing Commission (the Commission) are to:

- regulate gambling and racing activities in accordance with ACT gaming laws;
- ensure compliance by gaming organisations and persons with the payment of fee and tax liabilities;
- review gaming laws to ensure their continued relevance and appropriateness; and
- monitor and research the social effects of gambling and problem gambling in the ACT and provide counselling and education services.

The Commission also collects and verifies a number of different gambling related taxes, fees and fines on behalf of the ACT Government.

Note 2. Significant Accounting Policies

Refer to the following appendices for the notes comprising significant accounting policies and other explanatory information.

Appendix A - Basis of Preparation of the Financial Statements

Appendix B - Significant Accounting Policies

Appendix C - Impact of Accounting Standards Issued But Yet to be Applied

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 3. Controlled Recurrent Payments

Controlled Recurrent Payments (CRP) are revenue received from the ACT Government to fund the costs of delivering outputs.

	2018	2017
	\$'000	\$'000
Revenue from the ACT Government		
Controlled Recurrent Payments	4,913	4,853
Total Controlled Recurrent Payments	4,913	4,853

Note 4. Taxation and Levies Collected on Behalf of the Territory

Taxation and Levies are collected on behalf of the Territory from licensed gambling operators. Taxes and Levies are received on a monthly basis in accordance with the respective legislation or agreements held with the Commission and are based on gross profit or the level of gambling activity depending on the requirements for each product. All Taxes and Levies received by the Commission are transferred on a daily basis to the ACT Government.

Gaming Machines ¹	32,482	33,441
Interstate Lotteries	13,737	13,527
Casino	2,685	2,775
Keno and Trackside Levy ²	1,140	379
Total Taxation Collected on Behalf of the Territory	50,044	50,122

1. The decrease in Gaming Machine Taxation is due to a change in legislation that allows for small and medium licensees to obtain a 50 per cent rebate on taxation payable as well as decreased gambling activity in 2017-18.
2. The increase in the Keno and Trackside Levy is due to increased gambling activity in 2017-18.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note. 5 Regulatory Fees

Regulatory Fees Collected on behalf of the Territory are paid in relation to gaming operations such as licensing applications, raffle and trade promotion permit applications and general gaming and racing approvals. All regulatory fees received by the Commission are transferred on a daily basis to the ACT Government.

	2018	2017
	\$'000	\$'000
Regulatory Fees		
Gaming Machines	238	230
Lotteries	1,843	1,707
Casino	14	19
Totalisator	1,050	1,031
Sports Bookmaking	15	1
Total Regulatory Fees	3,160	2,988

Note 6. Other Revenue

Other Revenue arises from the core activities of the ACT Gambling and Racing Commission. Revenue to the Problem Gambling Assistance Fund consist of a levy on gaming machine licensees and voluntary contributions from Casino Canberra and Tabcorp ACT Ltd.

Revenue from ACT Government Entities

Other	-	4
Total Other Revenue from ACT Government Entities	-	4

Revenue from Non-ACT Government Entities

Problem Gambling Assistance Fund ¹	1,352	1,104
Total Other Revenue from Non-ACT Government Entities	1,352	1,104
Total Other Revenue	1,352	1,108

- The increase in revenue from Non-ACT Government Entities to the Problem Gambling Assistance Fund is mainly due to an increase in the rate of levy payable by gaming machine operators from 0.6 per cent to 0.75 per cent of gross gaming machine revenue.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 7. Supplies and Services

	2018	2017
	\$'000	\$'000
Legal Fees ¹	74	-
Commission Members Remuneration	128	119
Payment from the Problem Gambling Assistance Fund	221	216
Other ²	262	-
Total Supplies and Services	685	335

1. The increase in Legal Fees in 2017-18 is due to increased engagement of ACT Government Solicitors Office services during the reporting period. This increase is mainly due to services provided relating to an appeal of a decision made by the Commission.
2. The increase in Other Supplies and Services is due to the Commission undertaking projects in addition to the funds provided to Access Canberra for the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. These additional projects include '*Modeling the social impact of Community Contributions*'; '*Managing the design and implementation of the Public Health harm prevention strategy*'; and '*Additional activities undertaken during the Gambling Harm Awareness Week*'.

Note 8. Purchased Services

Purchased services are amounts paid to obtain services from other ACT Government agencies and external parties.

Problem Gambling Support Services	824	832
Purchased Service - Access Canberra ¹	4,708	4,656
Total Purchased Services	5,532	5,488

1. The Commission has entered into an agreement with Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT.

Note 9. Auditor's Remuneration

Auditor's remuneration consists of financial audit services provided to the Commission by the ACT Audit Office. No other services were provided by the ACT Audit Office. The Commission's Audit Fees are paid by Access Canberra.

Audit Services

Audit Fees Paid or Payable to the ACT Audit Office	48	44
Total Audit Fees	48	44

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 10. Cash and Cash Equivalents

The ACT Gambling and Racing Commission holds four bank accounts with the Westpac Bank as part of the whole-of-government banking arrangements that earned an average floating interest rate of 2.35% (2016-17 2.37%).

	2018	2017
	\$'000	\$'000
Cash at Bank	4,851	4,702
Total Cash and Cash Equivalents	4,851	4,702

Note 11. Receivables

Gaming Machine Taxation ¹	2,870	2,447
Interstate Lotteries Duty	1,142	1,110
Casino Taxation	201	272
Sub-Total (Gambling Taxes)	4,213	3,829
Problem Gambling Assistance Fund Levy	118	79
Other Trade Receivables	-	26
Net GST (Payable)/Receivable	(1)	13
(Sub-Total) Other Receivables	117	118
Total Receivables	4,330	3,947

- The increase in Gaming Machine Taxation is due to an increase in taxation for June 2018 paid in July 2018 as a result of a change in legislation that allows small and medium licensees to pay their taxation quarterly instead of monthly and the timing difference in 2016-17 for one licensee paying their June 2017 taxation, which did not occur in 2017-18.

No receivables were overdue or impaired as at 30 June 2018 or as at 30 June 2017.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 11. Receivables - Continued

Classification of ACT Government/Non-ACT Government Receivables	2018 \$'000	2017 \$'000
Receivables with ACT Government Entities		
Other Trade Receivables	0	3
Total Receivables with ACT Government Entities	0	3
Receivables with Non-ACT Government Entities		
Gambling Taxes	4,213	3,829
Problem Gambling Assistance Fund Levy	118	79
Other Trade Receivables	-	23
Net GST (Payable)/Receivable	(1)	13
Total Receivables with Non-ACT Government Entities	4,330	3,944
Total Receivables	4,330	3,947

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 12. Intangible Assets

The Commission has externally purchased software consisting of a Gaming Machine Database and an ACT Gamblers' Exclusion Database.

	2018	2017
	\$'000	\$'000
<i>Externally Purchased Software</i>		
Computer Software at Cost ¹	907	709
Less: Accumulated Amortisation	(555)	(468)
<i>Total Externally Purchased Software</i>	352	241
Total Intangible Assets	352	241

1. The increase in Computer Software at Cost is due to enhancements to the Gaming Machine Database being implemented during the reporting period.

Reconciliation of Intangible Assets

The following table shows the movement of each class of Intangible Assets in 2018 and 2017.

2018	Externally Purchased Software \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	241	241
Additions	198	198
Amortisation	(87)	(87)
Carrying Amount at the End of the Reporting Period	352	352

2017	Externally Purchased Software \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	311	311
Amortisation	(70)	(70)
Carrying Amount at the End of the Reporting Period	241	241

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 13. Capital Works In Progress

Assets under construction include computer software.

	2018	2017
	\$'000	\$'000
Software Works in Progress ¹	-	124
Total Capital Works in Progress	-	124

1. The decrease in Software Works in Progress is due to enhancements to the Gaming Machine Database being implemented during the reporting period.

Reconciliation of Capital Works in Progress

The following table shows the movement of Capital Works in Progress during 2017-18.

	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	124	124
Transferred to Intangible Assets	(124)	(124)
Carrying Amount at the End of the Reporting Period	-	-

The following table shows the movement of Capital Works in Progress during 2016-17.

	Software Works in Progress \$'000	Total \$'000
Carrying Amount at the Beginning of the Reporting Period	-	-
Additions	124	124
Carrying Amount at the End of the Reporting Period	124	124

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 14. Payables

	2018	2017
	\$'000	\$'000
Trade Payables	-	1
Accrued Expenses	131	127
Sub-Total	131	128
Taxation and Levies Revenue Payable to Government ¹	4,198	3,837
Total Payables	4,329	3,965

1. The increase in Taxation and Levies Revenue Payable to Government is mainly due to the timing difference in 2016-17 for one licensee paying their June 2017 taxation, which did not occur in 2017-18.

There are no payables overdue as at 30 June 2018 and 30 June 2017.

Classification of ACT Government/Non-ACT Government Payables

Payables with ACT Government Entities

Accrued Expenses	47	124
Taxation and Levies Revenue Payable to Government	4,198	3,837
Total Payables with ACT Government Entities	4,245	3,961

Payables with Non-ACT Government Entities

Trade Payables	-	1
Accrued Expenses	84	3
Total Payables with Non-ACT Government Entities	84	4

Total Payables	4,329	3,965
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ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 15. Financial Instruments

Details of the significant policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in Note 2 (see Appendix B) *Significant Accounting Policies*.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission's credit risk is limited to the amount of the financial assets it holds net of any allowance for impairment. The Commission expects to collect all financial assets that are not past due or impaired.

Cash at bank is held with a high credit quality financial institution under Whole-of-Government banking arrangements. Cash at bank is held with the Westpac Bank.

The majority of the Commission's receivables are taxes payable by gaming licensees. The Commission reviews outstanding receivables on a monthly basis with the option of prosecution or disciplinary action being taken against gaming licensees with overdue or unpaid taxes. Unpaid outstanding balances are referred to the ACT Government Solicitor's Office for legal action if all other options have been exhausted.

There have been no changes in the process for managing credit risk since the last reporting period.

Liquidity Risk

Liquidity risk is the risk that the Commission will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To limit its exposure to liquidity risk the Commission ensures that it has a sufficient amount of current financial assets to meet its current financial liabilities. The main source of cash to pay these obligations is appropriation from the ACT Government which is paid to the Commission on a fortnightly basis throughout the year. The Commission manages its liquidity risk through forecasting appropriation drawdown requirements to enable payment of anticipated obligations. This ensures that the Commission has enough cash to meet its emerging financial liabilities. See the maturity analysis below for further details of when financial assets and liabilities mature.

The Commission's exposure to liquidity risk and the management of this liquidity risk has not changed since the previous reporting period.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 15. Financial Instruments – Continued

Carrying Amount and Fair Value of Financial Assets and Liabilities

	Note No	Carrying Amount 2018 \$'000	Fair Value Amount 2018 \$'000	Carrying Amount 2017 \$'000	Fair Value Amount 2017 \$'000
Financial Assets					
Cash and Cash Equivalents	10	4,851	4,851	4,702	4,702
Receivables - Other Trade Receivables	11	-	-	26	26
Total Financial Assets		4,851	4,851	4,728	4,728
Financial Liabilities					
Payables	14	131	131	128	128
Total Financial Liabilities		131	131	128	128

Note: Assets and liabilities that are not contractual (such as those created as a result of statutory requirements imposed by governments) are not financial assets and liabilities. As such, non-contractual receivables and payables are not included in the financial instruments note.

Fair Value Hierarchy

All financial assets and liabilities are measured, subsequent to initial recognition, at amortised cost and as such no Fair Value Hierarchy disclosures have been made.

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 15. Financial Instruments – Continued

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2018. Financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2018	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
Cash and Cash Equivalents	10	2.35%	4,851	-	-	-	-	4,851
Receivables	11		-	-	-	-	-	-
Total Financial Assets			4,851	-	-	-	-	4,851
Financial Liabilities								
Payables	14		-	-	-	-	131	131
Total Financial Liabilities			-	-	-	-	131	131
Net Financial Assets			4,851	-	-	-	(131)	4,720

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 15. Financial Instruments – Continued

The following table sets out the Commission's maturity analysis for financial assets and liabilities as well as the exposure to interest rates, including the weighted average interest rates by maturity period as at 30 June 2017. Financial assets and liabilities which have a floating interest rate or are non-interest bearing will mature in 1 year or less. All amounts appearing in the following maturity analysis are shown on an undiscounted cash flow basis.

2017	Note No.	Weighted Average Interest Rate	Floating Interest Rate \$'000	Fixed Interest Maturing In:			Non-Interest Bearing \$'000	Total \$'000
				1 Year or Less \$'000	Over 1 Year to 5 Years \$'000	Over 5 Years \$'000		
Financial Instruments								
Financial Assets								
	10	2.37%	4,702	-	-	-	-	4,702
	11	-	-	-	-	-	26	26
Total Financial Assets			4,702	-	-	-	26	4,728
Financial Liabilities								
	14	-	-	-	-	-	128	128
Total Financial Liabilities			-	-	-	-	128	128
Net Financial Assets			4,702	-	-	-	(102)	4,600

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 15. Financial Instruments - Continued

Carrying Amount of Each Category of Financial Asset and Financial Liability

	2018	2017
	\$'000	\$'000
Financial Assets		
Loans and Receivables Measured at Amortised Cost	-	26
Financial Liabilities		
Financial Liabilities Measured at Amortised Cost	131	128

Note 16. Related Party Disclosures

A related party is a person that controls or has significant influence over the reporting entity, or is a member of the Key Management Personnel (KMP) of the reporting entity or its parent entity, and includes their close family members and entities in which the KMP and/or their close family members individually or jointly have controlling interests.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly.

KMP of the Commission are Members of the Governing Board. The members of the Governing Board during 2017-18 were:

Mr J Haskins	Chair (Appointment ceased 23 November 2017)
Mr P Baxter	Chair (Appointment commenced 24 November 2017)
Ms A Tay	Deputy Chair
Mr P Baxter	Member (Appointment ceased 23 November 2017)
Ms C Franklin	Member (Appointment commenced 6 June 2017)
Mr C Buik	Member (Appointment commenced 20 March 2018)
Mr D Snowden	Chief Executive Officer

One of the KMP of the Commission is an employee of the Chief Minister, Treasury and Economic Development Directorate (CMTEDD) and is compensated by CMTEDD.

Compensation by the Commission to KMP is set out below:

	2018	2017
	\$'000	\$'000
Board Member fees	128	119
Total Compensation by the Commission to KMP	128	119

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 16. Related Party Disclosures - Continued

Transactions with Key Management Personnel

There were no transactions with KMP that were material to the financial statements of the Commission.

Transactions with parties related to Key Management Personnel

There were no transactions with parties related to KMP, including transactions with KMP's close family members or other related entities that were material to the financial statement of the Commission.

Transactions with other ACT Government controlled entities

All transactions with ACT Government controlled entities are disclosed on the relevant notes to the Financial Statements of the Commission.

Note 17. Commitments

Other Commitments

Other commitments consist of a contract with Relationships Australia Canberra and Region Inc. for the provision of Problem Gambling Support Services and a memorandum of understanding with Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT. These amounts are reported as GST exclusive:

	2018	2017
	\$'000	\$'000
Within one year	5,612	824
Later than one year but not later than five years	4,870	824
Total Other Commitments¹	10,482	1,648

1. The increase in Other Commitments relates to the Commission entering into a three year memorandum of understanding with Access Canberra on the provision of services for the administration of gaming laws including the control, supervision and regulation of gaming and racing in the ACT.

Note 18. Contingent Liabilities

The Commission manages unclaimed prize monies relating to prizes which have remained unclaimed. The Commission's contingent liability amount on the potential claims is \$2,350,386 (2016-17 \$2,346,008).

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 19. Cash Flow Reconciliation

(a) Reconciliation of Cash and Cash Equivalents at the End of the Reporting Period in the Cash Flow Statement to the Equivalent Items in the Balance Sheet

	2018	2017
	\$'000	\$'000
Total Cash and Cash Equivalents Disclosed in the Balance Sheet	4,851	4,702
	4,851	4,702
Cash and Cash Equivalents at the End of the Reporting Period as Recorded in the Cash Flow Statement	4,851	4,702

(b) Reconciliation of the Operating Surplus to the Net Cash Outflows from Operating Activities

Operating Surplus	157	214
Add/(Less) Non-Cash Items		
Depreciation and Amortisation	87	70
	244	284
Cash Before Changes in Operating Assets and Liabilities	244	284
Changes in Operating Assets and Liabilities		
(Increase)/Decrease in Receivables	(383)	1,726
Increase/(Decrease) in Payables	128	(154)
Increase/(Decrease) in Employee Benefits	-	(63)
Increase/(Decrease) in Taxation Revenue Payable	359	(1,354)
(Decrease)/Increase in Other Liabilities	(1)	16
	103	171
Net Changes in Operating Assets and Liabilities	103	171
Net Cash Inflows from Operating Activities	347	455

ACT Gambling and Racing Commission
Notes to and Forming Part of the Financial Statements
For the Year Ended 30 June 2018

Note 20. Budgetary Reporting

The following are brief explanations of major line item variances between budget estimates and actual outcomes. Variances are considered to be major variances if **both** of the following criteria are met:

- (a) The line item is a significant line item: where either the line item actual amount accounts for more than 10% of the relevant associated category (Income, Expenses and Equity totals) or more than 10% of sub-element (e.g. Current Liabilities and Receipts from Operating Activities totals) of the financial statements; and
- (b) The variances (original budget to actual) are greater than plus (+) or minus (-) 10% of the budget for the financial statement line item.

Operating Statement - No variances that met the criteria above were identified in the Operating Statement

Balance Sheet Line Items	Actual 2018 \$'000	Original Budget ^a 2018 \$'000	Variance \$'000	Variance %	Variance Explanation
Intangible Assets	352	250	102	40.8	Note 1

- a. Original Budget refers to the amounts presented to the Legislative Assembly in the original budgeted financial statements in respect of the reporting period (2017-18 Statement of Intent). These amounts have not been adjusted to reflect supplementary appropriation or appropriation instruments.

Notes

- 1. Intangible Assets were higher than anticipated due to enhancements made to the Gaming Machine Database in 2017-18 to allow for changes to legislation that were not expected to occur when the budget was finalised.

Statement of Changes in Equity – these line items are covered in other financial Statements.

Cash Flow Statement - no variances that met the criteria above were identified in the Cash Flow Statement.

ACT Gambling and Racing Commission
Appendix A - Basis of Preparation of the Financial Statements
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Legislative Requirement

The *Financial Management Act 1996* (FMA) requires the preparation of annual financial statements for ACT Government agencies.

The FMA and the *Financial Management Guidelines* issued under the Act requires that the Commission's financial statements include:

- i. an Operating Statement for the reporting period;
- ii. a Balance Sheet at the end of the reporting period;
- iii. a Statement of Changes in Equity for the reporting period;
- iv. a Cash Flow Statement for the reporting period;
- v. a Statement of Appropriation for the reporting period;
- vi. an Operating Statement for each class of output for the reporting period;
- vii. the significant accounting policies adopted for the reporting period; and
- viii. such other statements as are necessary to fairly reflect the financial operations of the agency during the reporting period and its financial position at the end of the reporting period.

These general-purpose financial statements have been prepared to comply with Australian Accounting Standards as required by the FMA. These financial statements have been prepared in accordance with:

- i. Australian Accounting Standards; and
- ii. ACT Accounting and Disclosure Policies.

Accrual Accounting

The financial statements have been prepared using the accrual basis of accounting. The financial statements have also been prepared according to the historical cost convention.

Currency

These financial statements are presented in Australian dollars.

Individual Reporting Entity

The Commission is an individual reporting entity.

ACT Gambling and Racing Commission
Appendix A - Basis of Preparation of the Financial Statements
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Comparative Figures

Budget Figures

The *Financial Management Act 1996* requires the financial statements to facilitate a comparison with the Commission's Statement of Intent. The budgeted numbers in the financial statements are the original budget numbers that appear in the Statement of Intent.

Going Concern

The 2017-18 financial statements have been prepared on a going concern basis as the ongoing functions, activities and funding of the Commission are set out in the 2018-19 Statement of Intent.

Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000). Use of "-" represents zero amounts or amounts rounded down to zero.

ACT Gambling and Racing Commission
Appendix B - Significant Accounting Policies
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Significant Accounting Policies – Income

Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable in the Operating Statement.

Note 3 – Controlled Recurrent Payments

Controlled Recurrent Payments are recognised as revenue when the Commission gains control over the funding. Control over appropriated funds is obtained upon the receipt of cash.

Note 4 - Taxation and Levies Collected on Behalf of the Territory

Taxes and levies are recognised as revenue in the period in which the payment relates. Fees are recognised as revenue at the time of payment. Fines are recognised as revenue on the issue of the relevant disciplinary notice.

Taxation, Levies and Regulatory Fee revenue are collected on behalf of the Territory.

Note 6 – Other Revenue

Revenue Received in Advance

Revenue received in advance is recognised as a liability.

Significant Accounting Policies – Expenditure

Amortisation

Amortisation is used in relation to intangible assets.

Amortisation for non-current assets is determined as follows:

<u>Class of Asset</u>	<u>Depreciation/Amortisation Method</u>	<u>Useful Life (Years)</u>
Externally Purchased Intangibles	Straight Line	Five years

The useful life of each major asset is reassessed on an annual basis.

ACT Gambling and Racing Commission
Appendix B - Significant Accounting Policies
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Significant Accounting Policies – Assets

Assets – Current and Non-Current

Assets are classified as current where they are expected to be realised within 12 months after the reporting date. Assets which do not fall within the current classification are classified as non-current.

Note 10 – Cash and Cash Equivalents

Cash includes cash at bank.

Cash equivalents are short-term highly liquid investments that are readily converted to known amounts of cash which are subject to an insignificant risk of changes in value.

Note 11 – Receivables

Accounts Receivables

Accounts receivable (including accrued gambling taxes and levies and other trade receivables) are initially recognised at fair value and are subsequently measured at amortised cost with any adjustments to the carrying amount being recorded in the Operating Statement.

Accrued gambling taxes and levies arise in the normal course of gambling related activity. It is a statutory requirement that gambling taxes and levies for a particular month be paid in the following month.

Significant Accounting Judgements and Estimates – Allowance for Impairment Losses

The Commission has estimated the allowance for impairment losses for receivables. An allowance is raised for any impairment of receivables based on a review of all outstanding receivables at year end.

Note 12 – Intangible Assets

The Commission's intangible assets are comprised of externally acquired software for internal use. Externally acquired software is recognised and capitalised when:

- (a) it is probable that the expected future economic benefits that are attributable to the software will flow to the Commission;
- (b) the cost of the software can be measured reliably; and
- (c) the acquisition cost is equal to or exceeds \$50,000.

Capitalised software has finite useful life. Software is amortised on a straight-line basis over its useful life, over a period not exceeding 5 years.

Intangible Assets are measured at cost.

ACT Gambling and Racing Commission
Appendix B - Significant Accounting Policies
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Significant Accounting Policies – Liabilities

Liabilities – Current and Non-Current

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date or the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Liabilities which do not fall within the current classification are classified as non-current.

Note 14 – Payables

Payables are initially recognised at fair value based on the transaction cost and subsequent to initial recognition at amortised cost, with any adjustments to the carrying amount being recorded in the Operating Statement. All amounts are normally settled within 30 days after the invoice date.

Payables include Trade Payables and Accrued Expenses.

ACT Gambling and Racing Commission
Appendix C - Impact of Accounting Standards Issued But Yet to be Applied
Forming Part of Note 2 of The Financial Statements
For The Year Ended 30 June 2018

Accounting Standards Issued but yet to be Applied

Additional new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board but do not apply to the current reporting period. These standards and interpretations are applicable to future reporting periods. The Commission does not intend to adopt these standards and interpretations early. None of these standards are expected to have a material impact.

C.3 Capital Works

In 2016-17, the Commission commenced an upgrade to the Gaming Machine Database to ensure that the database remained responsive to legislative changes. This project was completed in September 2017 at a cost of \$198,000.

Table 17: Capital Works Table for 2017-18

Project	Completion Date	Original Project Value \$	Revised Project Value \$	Prior Year Expenditure	2016-17 Actual Expenditure \$	Total Expenditure to Date \$
Gaming Machine Database	September 2017	160,000	160,000	124,000	74,000	198,000

Further information may be obtained from:

Deputy Director, Finance and Budgets, Access Canberra
Telephone: (02) 6205 8695.

C.4 Asset Management

The only assets maintained by the Commission are its computer software. These databases are managed by Access Canberra through a Memorandum of Understanding. Access Canberra has in place policies for the management of these assets consistent with the ACT Asset Management Strategy. The carrying value of these assets at the end of the reporting period was \$352,000.

Further information may be obtained from:

Deputy Director, Finance and Budgets, Access Canberra
Telephone: (02) 6205 8695.

C.5 Government Contracting

The Commission's procurement selection and management process for all contractors including consultants complied with the *Government Procurement Act 2001* and *Government Procurement Regulation 2007* and subordinate guidelines and circulars.

Procurement processes above \$25,000 have been reviewed by Shared Services Procurement, and if necessary by the Government Procurement Board, consistent with the provisions of the *Government Procurement Regulation Act 2007*.

Table 18: 2017-18 Contractual payments that exceed \$25,000

Contracting Entity	Description	Financial Year Expenditure (excl GST)	Procurement Method	Reason for use of Select Tender (where applicable)	Date Contact Let
Relationships Australia Canberra and Region	Problem Gambling Support Service for the period 1 July 2014 to 30 June 2017.	\$824,404	Open tender	N/A	June 2014
ANU Centre for Gambling Research	Research into Gambling	\$84,582	Single select	ANU Centre for Gambling Research was considered the only contractor sufficiently skilled to provide the specialist research and analysis required for these projects	November 2003

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 1915.

C.6 Statement of Performance



AUDITOR-GENERAL AN OFFICER
OF THE ACT LEGISLATIVE ASSEMBLY 

REPORT OF FACTUAL FINDINGS

ACT GAMBLING AND RACING COMMISSION

To the Members of the ACT Legislative Assembly

Review opinion

I am providing an **unqualified review opinion** on the statement of performance of the ACT Gambling and Racing Commission (the Commission) for the year ended 30 June 2018.

During the review no matters were identified which indicate that the results of the accountability indicators reported in the statement of performance are not fairly presented in accordance with the *Financial Management Act 1996*.

Basis for the review opinion

The review was conducted in accordance with the Australian Auditing Standards. I have complied with the requirements of the Accounting Professional and Ethical Standards 110 *Code of Ethics for Professional Accountants*.

I believe that sufficient evidence was obtained during the review to provide a basis for the review opinion.

Responsibility for preparing and fairly presenting the statement of performance

The Governing Board of the Commission is responsible for:

- preparing and fairly presenting the statement of performance in accordance with the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*; and
- determining the internal controls necessary for the preparation and fair presentation of the statement of performance so that the results of accountability indicators and accompanying information are free from material misstatements, whether due to error or fraud.

Responsibility for the review of the statement of performance

Under the *Financial Management Act 1996* and *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*, the Auditor-General is responsible for issuing a report of factual findings on the statement of performance of the Commission.

As required by Australian Auditing Standards, the auditors:

- applied professional judgement and maintained scepticism;
- identified and assessed the risks of material misstatements due to error or fraud* and implemented procedures to address these risks so that sufficient evidence was obtained to form a review opinion; and
- reported the scope and timing of the review and any significant deficiencies in reporting practices identified during the review to the Governing Board.

Level 4, 11 Moore Street Canberra City ACT 2601 PO Box 275 Civic Square ACT 2608
T 02 6207 0833 F 02 6207 0826 E actauditorgeneral@act.gov.au W www.audit.act.gov.au

(*The risk of not detecting material misstatements due to fraud is higher than the risk due to error, as fraud may involve collusion, forgery, intentional omissions or misrepresentations or the override of internal controls.)

Limitations on the scope of the review

The review was conducted in accordance with Australian Auditing Standards applicable to review engagements, to provide limited assurance that the results of the accountability indicators reported in the statement of performance have been fairly presented in accordance with the *Financial Management Act 1996*.

A review is primarily limited to making inquiries with representatives of the Commission, performing analytical and other review procedures and examining other available evidence. These review procedures do not provide all of the evidence that would be required in an audit, therefore, the level of assurance provided is less than that given in an audit. An audit has not been performed and no audit opinion is being expressed on the statement of performance.

This review does not provide assurance on the:

- relevance or appropriateness of the accountability indicators reported in the statement of performance or the related performance targets;
- accuracy of explanations provided for variations between actual and targeted performance due to the often subjective nature of such explanations;
- adequacy of controls implemented by the Commission; or
- integrity of the reviewed statement of performance presented electronically or information hyperlinked to or from the statement of performance. Assurance can only be provided for the printed copy of the reviewed statement of performance.



Tim Larnach
Acting Director, Financial Audits
5 September 2018

ACT GAMBLING AND RACING COMMISSION

STATEMENT OF PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2018



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Statement of Responsibility

In my opinion, the Statement of Performance is in agreement with the ACT Gambling and Racing Commission's records and fairly reflects the service performance of the ACT Gambling and Racing Commission for the year ended 30 June 2018 and also fairly reflects the judgements exercised in preparing it.

A handwritten signature in black ink, appearing to read "Paul Baxter".

Paul Baxter
Chairperson
ACT Gambling and Racing Commission
15 August 2018



Gambling & Racing Commission
GPO Box 158, Canberra City ACT 2601

 GRCBoard@act.gov.au
 gamblingandracing.act.gov.au



**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Description of Objectives

The ACT Gambling and Racing Commission's major objectives include:

- increasing the accuracy of returns by operators for gambling related taxes, levies, fees and fines on behalf of the ACT Government through its continued education and liaison with operators; and
- increasing gambling operators' compliance with legislation through the Commission's comprehensive inspection program and its continued education and liaison with operators;
- undertaking measures designed to reduce the negative impact of gambling harm through targeted research and implementing evidence based strategies.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Output Class 1: Gambling Regulation and Harm Minimisation

Output 1.1: Gambling Regulation and Harm Minimisation

	Original Target 2017-18	Actual Result 2017-18	% Variance from Target	Reasons for Material Variance
Total cost	\$6,019,000	\$6,304,000	4.7	-
Controlled Recurrent Payments	\$4,913,000	\$4,913,000	0	-
Accountability Indicators				
a Initiate or complete research projects; analyse significant research projects conducted elsewhere	5	5	-	-
b Initiate or complete projects through the Problem Gambling Assistance Fund	4	4	-	-
c Percentage of customers satisfied with the Gambling and Racing Commission	90%	100%	11.1	Note 1
d Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission	95%	100%	5.3	Note 2
e Compliance rate during targeted campaign inspections	90%	100%	11.1	Note 3
f Compliance activities: engage, educate, enforce	70:20:10	74:25:1	5.7/20/(90)	Note 4
g Average number of days to issue business authorisation or personal registration	10 working days or less for business	8 working days	-	-
	5 working days or less for personal	14.1 working days	(182)	Note 5
h Average level of helpfulness after issuing a notice or before issuing a license/authorisation	4.2 out of 5	4.5 out of 5	7.1	-

The above Accountability Indicators were examined by the ACT Audit Office in accordance with the *Financial Management Act 1996*. The Total Cost and Controlled Recurrent Payments measures were not examined by the ACT Audit Office in accordance with the *Financial Management (Statement of Performance Scrutiny) Guidelines 2017*.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Reasons for Material Variance

1. The result reflects a greater level of client awareness, attitudes, behaviours and customer satisfaction of/with the Commission's corporate identity, channels and services.
2. The result reflects a greater level of satisfaction with the ease of interacting with the Commission.
3. The result reflects a greater level of voluntary compliance through ongoing engagement and education with licensees.
4. An increased focus on engagement and education activities impacted the level of compliance resulting in a reduction in the need to undertake enforcement action in the 2017/18 financial year.
5. The result reflects an increase in processing times due to complexities in some assessments and untimely access to information and the required documentation.

Outcomes of Accountability Indicators

- a Initiate or complete research projects; analyse significant research projects conducted elsewhere.
 - The Commission has:
 - analysed in May 2018, the research report '*The Social Cost of Gambling to Victoria*' published by Victorian Responsible Gambling Foundation;
 - analysed in November 2017, the research report '*Measuring the Burden of Gambling Harm in New Zealand*' published by Central Queensland University and Auckland University of Technology ; and
 - initiated and completed '*Community Contributions Scheme Impact Analysis Report*' in October 2017. The report focused on quantifying the impact contributions have on benefiting the ACT community.
 - initiated a research report *Youth Coalition – At Odds: Young People and Gambling Part 2* in December 2017. The research will provide a greater understanding of support strategies, peer influence, help seeking and promote a greater awareness of gambling harm amongst young people.
 - initiated in May 2018, the research report *Review of Western Australian Clubs' Operating Environment* by the Australian National University Centre for Gambling Research.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Outcomes of Accountability Indicators - Continued

- b Initiate or complete projects through the Problem Gambling Assistance Fund.
- The Commission has:
 - completed the research project *Informing Targeted Interventions for People Experiencing Gambling Harms in the ACT*. This project focused on developing an evidence base that can be used to inform interventions targeted at people experiencing harms from gambling;
 - Completed the project to develop a in venue support kit for licensees to assist in identifying, approaching and referring patrons displaying signs of gambling harm.
 - completed the project *Gambling Harm Awareness Week 2017*. In 2017, the Commission facilitated Gambling Harm Awareness Week in the ACT. The week included the launch of the venue support kits which were provided to gambling venues; and
 - initiated the project *Gambling Harm Awareness Week 2018*. In 2018, the Commission will facilitate Gambling Harm Awareness Week in the ACT. The week will continue to build upon the Commission's public health approach to gambling harm.
- c Percentage of customers satisfied with the Gambling and Racing Commission
- This is an independent annual survey of licensees which measures client's awareness, attitudes, behaviour and customer satisfaction of/with the Commission's corporate identity, channels and services.
- d Percentage of the Canberra community satisfied with the ease of interacting with the Gambling and Racing Commission
- This is an independent annual survey of the satisfaction with ease of interacting with the Commission, which measures the awareness, attitudes, behaviour and customer satisfaction of/with the Commission's corporate identity, channels and services.
- e Compliance rate during targeted campaign inspections
- This is a rate of compliance assessed against a predetermined set of criteria for targeted inspection campaigns. Following the completion of the campaign compliance rates are again assessed to determine the percentage shift in compliance.
- f Compliance activities: engage, educate, enforce
- This is a ratio for the engagement and education functions that are separate from the Commission exercising its enforcement powers against an industry, business or individual. Increasing efforts to educate and inform individuals, business and industries about their responsibilities and legal requirements leads to increased compliance rates, a reduction in complaints and the need for enforcement responses.

**ACT Gambling and Racing Commission
Statement of Performance
For the Year Ended 30 June 2018**

Outcomes of Accountability Indicators - Continued

- g Average number of days to issue business authorisation or personal registration
 - This measures the average number of days it takes to issue business authorisations and personal registrations.

- h Average level of helpfulness after issuing a notice or before issuing a license/authorisation
 - This is an independent survey randomly selected industry groups that have had a regulatory interface with the Commission to identify the helpfulness in achieving compliance.

SECTION H: GAMBLING AND RACING

H.1 Summary of Complaints

Section 31 of the *Gambling and Racing Control Act 1999* (the Control Act) provides that a person may lodge a complaint with the Commission about compliance with a gaming law. Access Canberra on behalf of the Commission investigates each complaint received that relates to compliance with a gaming law including seeking information or comment from the relevant licensee or operator. The results of the Commission's investigations are provided to the complainant as well as the licensee or operator that was the subject of the complaint.

In 2017-18, all complaints were resolved to the satisfaction of the Commission.

Table 19: Summary of complaints received during 2017-18

Gambling Provider	Received	Substantiated	Not Substantiated	Ongoing	Incapable of Determination	Withdrawn
Casino	4	1	3	0	0	0
Gaming Machines	12	2	2	5	2	1
Lotteries	9	2	7	0	0	0
Racing and Wagering	11	1	8	2	0	0
Unlawful Games	0	0	0	0	0	0
Total	36	6	20	7	2	1

H.2 Problem Gambling Assistance Fund

Under the *Gaming Machine Act 2004*, the Commission is tasked with administering the Problem Gambling Assistance Fund (the Fund). The Fund supports projects and research into gambling harm and its wider effects within the community.

Revenue for the Fund is sourced from a 0.75 per cent levy on gaming machine licensees' Gross Gaming Machine Revenue and contributions from Tabcorp and Casino Canberra Limited.

Expenditure from the Fund is for the purpose of alleviating problem gambling or the disadvantages that arise from problem gambling and for providing or ascertaining information about problem gambling.

In making decisions on projects under the Fund, the Commission's Board ensures that approved expenditure meets a range of short-term and long-term goals as well as representing a cross-section of applied and academic projects. This ensures that some immediate benefits are achieved and that work is undertaken to inform or improve knowledge about gambling issues.

Table 20: Problem Gambling Assistance Fund Receipts 2017-18

Licensee	Amount \$	Licensee	Amount \$
Ainslie Group		Harmonie German Club	3,350
- Ainslie Football and Social Club	41,076	Hellenic Club Group	
- Gungahlin Lakes Golf & Community Club	68,044	- Hellenic Club in the City	6,940
Austrian Australian Club ¹	798	- Hellenic Club of Canberra	80,139
Belconnen Bowling Club ¹	386	Italo Australian Club	411
Belconnen Soccer Group		Magpies Group	
- Belconnen Soccer Club - Hawker	10,309	- Magpies Belconnen Golf Club	3,498
- Belconnen Soccer Club - McKellar	19,166	- Magpies Sports Club	7,196
Canberra Bowling Club ¹	416	Mawson Club	38,519
Canberra Deakin Football Club	9,883	Murrumbidgee Country Club	872
Canberra Highland Society & Burns Club	22,974	National Press Club	193
Canberra Irish Club Limited	3,166	Spanish Australian Club ¹	181
Canberra Labor Group		Tuggeranong Rugby Union Group	
- Canberra Labor Club	114,085	- Chisholm Sports Club	37,655
- City Labor Club	25,876	- Lanyon Valley Rugby Union & Amateur Sports Club	37,291
- Ginninderra Labor Club	33,505	- Town Centre Sports Club	57,386
- Weston Creek Labor Club	12,105	- Tuggeranong Valley Rugby Union & Amateur Sports Club	52,834
RUC at Turner	3,885	Woden Tradesmen's Union Club	13,344
Canberra Racing Club ¹	0	Yowani Country Club ¹	1,174
Canberra Raiders Group		Sub Total – Clubs	1,255,673
- Raiders Gungahlin	62,986		
- Raiders Belconnen	49,885	Civic Pub	727
- Raiders Weston	33,469	Kambah Inn	573
Canberra Services Club		Kingston Hotel	591
- Canberra Club (Manuka)	0	Mercure Canberra	106
- Canberra Club (Barton)	439	Statesman Hotel Motel	234
Canberra Southern Cross Group		Sub Total – Hotels/Taverns	2,231
- Southern Cross Club	100,922		
- Southern Cross Club - Jamison	30,394	Casino Canberra	46,736
- Southern Cross Club – Tuggeranong	60,796	Tabcorp	47,427
- Southern Cross Club - Yacht Club	0	Sub Total – Others	94,163
Canberra Tradesmen's Union Club	129,532		
Eastlake Group		TOTAL²	1,352,067
- Calwell Club	31,885		
- Eastlake Football Club	27,455		

Licensee	Amount \$	Licensee	Amount \$
- Sports Club Kaleen	15,486		
- Eastlakes Gungahlin	5,768		

Notes:

1. Problem Gambling Assistance Fund Levy paid annually
2. Total Income to the Problem Gambling Assistance Fund does not include bank interest of \$36,714

Table 21: Problem Gambling Assistance Fund – Projects and Funding as at 30 June 2018

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2017-18 (excl GST)	Recipient of Funds
ACT Gambling Counselling and Support Service	<ul style="list-style-type: none"> • Access to professional gambling counselling and support for people experiencing problems with gambling, including families and friends. • Access to professional financial counselling. • Gambling providers and other help services in the ACT have access to support in assisting gamblers believed to have problems with their gambling. • Harm from problem gambling is reduced as a result of a proactive approach to community education and early intervention 	<p>Ongoing - Relationships Australia began delivering the service on 1 July 2014. Care Inc is subcontracted to provide financial counselling.</p> <p>In 2016-2017, the Service conducted 570 gambling counselling appointments; 63 family and friends counselling appointments and 761 financial counselling appointments.</p> <p>The service accepted the Commission's offer of two one-year extensions to the Services Agreement which is now due to conclude on 30 June 2019.</p>	<p>\$4,130,693 (over 5 years)</p> <p>Year 1 – \$809,606</p> <p>Year 2 – \$828,327</p> <p>Year 3 – \$824,404</p> <p>Year 4 – \$824,404</p> <p>Year 5 – \$824,404</p>	\$824,404	Relationships Australia for the provision of gambling counselling and support services.
Training for Non-Gambling Specific Community Sector Workers	Community sector workers in the ACT have increased skills to assist their clients who may have problems with gambling.	AGCSS is now responsible for organising, promotion and delivery of this training in 2017/18.	\$70,000	\$0	N/A
Introductory Level Course: Reducing Gambling Harm Workshop		This training package was updated to reflect a public health approach to gambling harm prevention. The first training session was delivered in June 2018.		\$0	

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2017-18 (excl GST)	Recipient of Funds
Acquisition and Introduction of Exclusion Capability in the ACT	This project delivers an effective venue exclusion scheme in the ACT by: <ul style="list-style-type: none"> • improving access to exclusion information by gambling venues; • streamlining the exclusion process; and • providing immediate access to statistical data about the uptake and use of this harm minimisation measure. 	The database became operational in late June 2014. All licensees are using the database. In 2016, the database was expanded to include the recording of gambling incidents.	\$440,000	\$12,125	Support Agreement to developer Hammond Street
Upgrade of ACT's Problem Gambling website	ACT residents will have access to information about gambling harm, self-help tools, and how to access professional help.	Information about gambling harm, self-help tools, and how to access professional help has been incorporated into the www.gamblingand racing.act.gov.au .	\$40,000	\$0	N/A
Research Project: 'Targeted Interventions for Problem Gambling'	Following on from the <i>Preventive Interventions for Problem Gambling: A Public Health Perspective</i> report, this research aims to understand <ul style="list-style-type: none"> • factors contributing to (or inhibiting) self identification of gambling problems; • profiling gambling behaviours and patterns, and; • assess the openness of people with gambling problems to interventions designed to assist them. 	Final report to be published mid 2018.	\$104,885	\$52,391	Australian National University Centre for Gambling Research for the conduct of identified research project.
Research Project: Client Cohort Longitudinal Study	This research project aimed to document histories of how individuals reached problem gambling treatment services and will then follow clients through the period of receiving help and for a minimum of two years after their treatment has	Due to recruitment targets for Year three of the project not being met, it has been agreed that the project will not be continued. A final report analysing the data collected though the project is to be provided to the Commission.	\$786,109	\$4,059	Central Queensland University (\$4000) Staff reimbursement (\$59)

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2017-18 (excl GST)	Recipient of Funds
.....	ended. The project was designed to address a number of gaps in the existing knowledge base related to how people interact with help services and their experiences after treatment. The project was jointly funded by the PGAF and the NSW Office of Liquor, Gambling and Racing.				
Youth Coalition of ACT 'Young People and Gambling'	Part one of this project, completed in June 2017, focused on learning more about young people's experience and understanding of gambling harm and how best to address the issue with them.	In May 2016 the project was varied to learn more about young people's experience of and understanding of gambling harm and to address their low level of gambling harm literacy. Completed. Final report received in June 2017.	\$161,484	\$30,000	Youth Coalition of ACT
Youth Coalition of ACT 'Young People and Gambling' Part Two	Part Two of this project builds upon the work of Part 1 and is focused on rolling out communication materials designed on the result of the information and findings of the At Odds Project Part 1. This involves improvements and evaluation of the At Odds website and social media platforms, and development of short films, digital stories, and other communication material designed to most effectively engage young people.	Deed of Grant for Part 2 of the At Odds Project was signed 2 March 2018.	\$99,974	\$65,000	Youth Coalition of ACT
Gambling Help Online	Residents of the ACT have 24/7 access to online problem gambling counselling and support.	Ongoing - The Commission is party to an MOU for the continuation of the service through 2017-2018.	\$55,000	\$7,445	ACT contribution to national MOU

Project Name	Outcomes	Status	Funds Committed (excl GST)	Funds Spent in 2017-18 (excl GST)	Recipient of Funds
Gambling Research Australia	Gambling Research Australia is a partnership between the Commonwealth, State and Territory Governments for the establishment and funding of national gambling research projects	The most recent 5 year program ceased in June 2014. A new 3 year MOU was signed in the 2017/18 financial year.	\$8585	\$3,535	ACT contribution to national MOU
Capital Health Network	Education and training through events for GPs and NPs on Chronic Disease Management that will include education on addressing lifestyle issues with patients and impacts of lifestyle issues on mental health.	The Project is continuing, with the final report expected August 2018.	\$55,000	\$25,000	Capital Health Network Ltd
Gambling Harm Awareness Week 2017	Gambling Harm Awareness Week provides an opportunity for the ACT Gambling and Racing Commission to raise community awareness about range and extent of gambling harm in the ACT.	Gambling Harm Awareness Week 2017 ran from 30 October to 3 November. The Gambling Harm Venue Support Kits were launched and distributed to venues at this time.	\$20,000	\$10,331	David Hood (\$3,624) Kate Seselja (\$550) City News (\$1,455) Department of Justice and Regulation VIC (\$614) ACT Shared Services (\$55) CITSA (\$4,034)
Gambling Contact Officer Branding and Merchandise	This project will establish a brand for the Gambling Contact Officer initiative. The brand development will include promotional material and individual identifiers distributed to every gaming venue in the ACT.	Completed.	\$19,445	\$5,000	Payments made through project coordinator - ClubsACT
TOTAL			\$5,991,175	\$1,039,290	

Further information may be obtained from:

Deputy Director, Policy and Coordination, Projects, Governance and Support, Access Canberra
Telephone: (02) 6207 1915.

ATTACHMENTS

Annual Report of the Racing Appeals Tribunal

The Racing Appeals Tribunal is established by Part 5 of the *Racing Act 1999* (the Act). The Tribunal is an independent tribunal responsible for hearing and determining appeals from persons aggrieved by a decision of a controlling body or another organisation conducting a race meeting being held for the purpose of betting in the ACT. The functions of the Tribunal are contained in section 39 of the Act.

The *Racing (Greyhounds) Amendment Act 2017* commenced on 30 April 2018. This Act amended the *Racing Act 1999* to end greyhound racing in the ACT, and consequently, to cease the jurisdiction of the Tribunal with respect to greyhound racing matters from that date.

Contact

Registrar of the ACT Racing Appeals Tribunal
Deputy Director, Policy and Coordination, Projects, Governance and Support
Access Canberra
Phone: (02) 6207 1915

Members

As at 30 June 2018, the members of the Tribunal were:

- > Mr John Kalokerinos (President)
- > Mr Andrew Satsia (Deputy President)
- > Ms Noor Blumer
- > Ms Pamela Burton

Assessor

Mr Desmond Gleeson was appointed as an assessor of the Tribunal on 10 April 2018 for a three year term.

Appeals Lodged with the Tribunal

- > *Mr Garry Collier and the Canberra Greyhound Racing Club Incorporated*

In May 2017, Mr Garry Collier's membership and directorship of the Canberra Greyhound Racing Club were purportedly terminated by the board of the Club. On 5 June 2017 Mr Collier lodged a notice of appeal with the Registrar of the Tribunal.

Following receipt of submissions, on 29 August 2017, the Tribunal constituted by Mr Kalokerinos, Mr Satsia and Ms Blumer, held a directions hearing. Following receipt of further submissions, on 9 November 2017, the Tribunal met and heard the matter. The Tribunal found that it had jurisdiction to hear the matter in respect of the termination of Mr Collier's membership of the Canberra Greyhound Racing Club. The Tribunal then heard the matter and found that the purported decision to expel Mr Collier as a member of the club was void and quashed the decision of the Club. On 30 November 2017, the Tribunal ordered the Canberra Greyhound Racing Club to pay Mr Collier's costs in the matter.

LIST OF ABBREVIATIONS AND ACRONYMS

AASB	Australian Accounting Standards Board
ACAT	ACT Civil & Administrative Tribunal
ACCC	Australian Competition and Consumer Commission
ACT	Australian Capital Territory
ACTPS	ACT Public Service
ANAO	Australian National Audit Office
ANU	Australian National University
ATM	Automated Teller Machine
AS	Australian Standard
CEO	Chief Executive Officer
CGR	Centre for Gambling Research
CoP	Code of Practice
CICA	Confederation of International Contractors' Association
CIT	Canberra Institute of Technology
CMTEDD	Chief Minister, Treasury and Economic Development Directorate
CSC	Commonwealth Superannuation Corporation
CSS	Commonwealth Superannuation Scheme
EGMs	Electronic Gaming Machines
ESD	Ecologically Sustainable Development
FMA	<i>Financial Management Act 1996</i>
FTE	Full Time Equivalent
GCO	Gambling Contact Officer
GHAW	Gambling Harm Awareness Week
GiVS	Gambler in-Venue Support
GPO	Government Payment for Outputs

GRA	Gambling Research Australia
GRC	Gambling and Racing Commission
GRCAC	Gambling and Racing Commission Advisory Committee
GST	Goods and Services Tax
HR	Human Resources
IT	Information Technology
IFAWPCA	International Federation of Asian and Western Pacific Contractors' Association
ISO	International Organisation for Standardisation
LPG	Liquid Petroleum Gas
MoU	Memorandum of Understanding
NGO	Non-Government Organisation
NSW	New South Wales
NZS	New Zealand Standard
PGAF	Problem Gambling Assistance Fund
PGSI	Problem Gambling Severity Index
PNG	Papua New Guinea
PSS	Public Sector Superannuation Scheme
PSSAP	Public Sector Superannuation Accumulation Plan
QLD	Queensland
RED	Respect, Equity and Diversity
RUC	Rugby Union Club
SEA	Special Employment Agreements
SSICT	Shared Services Information and Communications Technology
TCCS	Transport Canberra and City Services
TRO	Territory Records Office
WHS	Workplace Health and Safety
WHSC	Workplace Health and Safety Committee

GLOSSARY OF TECHNICAL TERMS

Class B gaming machine	A gaming machine that consists of the game of draw poker or games derived from it, what requires player interaction or intervention
Class C gaming machine	A gaming machine that consists of games other than those typically played in casinos
Commission	ACT Gambling and Racing Commission
Community contribution	expenditure by gaming machine licensees on eligible community contributions under the <i>Gaming Machine Act 2004</i>
Compliance inspections	inspections undertaken to identify a licensee's compliance with current gaming legislation
Cross-border betting	race and sports betting in different jurisdictions
Disciplinary action	a notice of reprimand, monetary penalty or suspension or cancellation of a gaming licence.
Lottery	raffle, trade promotion, Keno, Housie etc under the <i>Lotteries Act 1964</i>
Race bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating bets on races
Sports bookmaking	means the carrying on (whether regularly or on one or more occasions) of the business of receiving or negotiating sports bets

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